

TOWN OF WOODSIDE, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2019

Prepared by:

Kevin Bryant
Town Manager

Cindy Safe
Administrative Services Manager

This page intentionally left blank.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Table of Contents

Page

INTRODUCTORY SECTION

Table of Contents i
Letter of Transmittal iii
Organization Chart vi
List of Officials vii

FINANCIAL SECTION

Independent Auditors’ Report 1
Management’s Discussion and Analysis (Required Supplementary Information) 3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position 27
Statement of Activities 28

Fund Financial Statements:

Governmental Funds:

Balance Sheet 32
Reconciliation of Governmental Funds Balance Sheet to the
Statement of Net Position 34
Reconciliation of Fund Basis Balance Sheet to Government-wide
Statement of Net Position – Governmental Activities 35
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds 36
Reconciliation of Fund Basis Statements to Government-wide
Statement of Activities 38
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities 39
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget to Actual – General Fund and
Major Special Revenue Fund 40

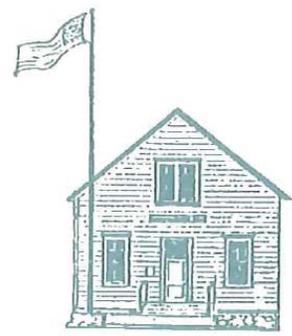
Proprietary Funds:

Statement of Net Position – Enterprise Funds 44
Statement of Revenues, Expenses, and Changes in Fund Net Position –
Enterprise Funds 46
Statement of Cash Flows – Enterprise Funds 48

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Table of Contents, Continued

	<u>Page</u>
Basic Financial Statements, Continued:	
<i>Fund Financial Statements, Continued:</i>	
Fiduciary Funds:	
Statement of Assets and Liabilities – Agency Funds	52
Notes to Basic Financial Statements	57
Other Supplemental Information:	
Required Supplementary Information:	
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	90
Net OPEB Liability Schedule of Contributions.....	91
Schedule of Contributions – Miscellaneous Plan	92
Schedule of the Town’s Proportionate Share of the Net Pension Liability – Miscellaneous Plan	93
Combining and Individual Fund Financial Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	100
Nonmajor Special Revenue Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Traffic Safety.....	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Road Impact Fees	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Gas Tax.....	104
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Supplemental Law Enforcement Services.....	105
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – California Law Enforcement Equipment Program.....	106
Agency Funds:	
Combining Statement of Assets and Liabilities – Agency Funds	108
Combining Statement of Changes in Assets and Liabilities – Agency Funds	110
Supplementary Schedules	
Schedule of Land Assets.....	114
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	115



The Town of
Woodside

December 19, 2019

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, 2019. It is the policy of the Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issues a complete set of financial statements to be submitted to them. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the Town. We believe the data presented in this report is accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the Town's financial activities have been included. Management of the Town has established an internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation 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 from material misstatements.

P.O. Box 620005
2955 Woodside Road
Woodside CA 94062

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 JJACPA, Inc., 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, 2019, 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 the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

650-851-6790

Fax: 650-851-2195

townhall@woodsidetown.org

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 resolution 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.

The Town of Woodside anticipates moderate revenue growth for the next ten years. The Town has increased the reserve target to 30% of estimated operating revenues to help maintain a balanced budget and healthy reserves to shield against economic cycles.

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 JJACPA, Inc. I would like to express my appreciation to Joseph Arch, CPA, Brett Jones, CPA, and Fortune Andzouana Mban of JJACPA, Inc. and to the members of the Administrative Department who assisted and contributed to its preparation.

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,

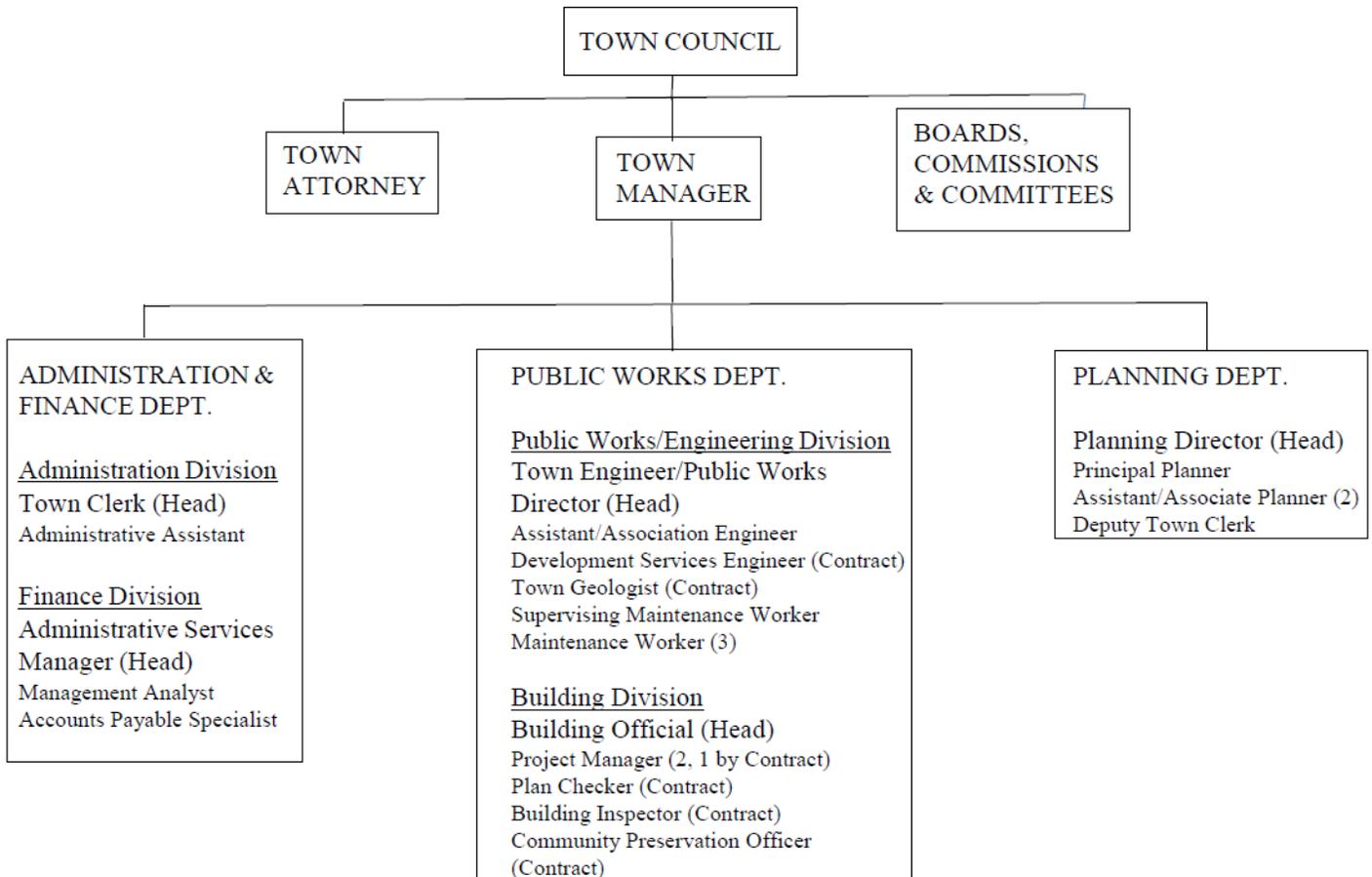
A handwritten signature in dark ink, appearing to read 'KB', is written over a light gray horizontal line.

Kevin Bryant
Town Manager

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Organization Chart

TOWN OF WOODSIDE
ORGANIZATION CHART



Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

List of Officials

TOWN COUNCIL

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

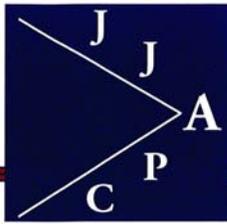
AUDIT COMMITTEE

- Phillip Whalen
- Sonita Ahmed
- 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

This page intentionally left blank.



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council
of the Town of Woodside
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, the aggregate remaining fund information, and the budgetary comparison information of the Town of Woodside, California (Town), as of and for the year ended June 30, 2019, 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 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 entity'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 entity'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, the aggregate remaining fund information, and the budgetary comparison information of the Town of Woodside, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof 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 on pages 3–23, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 90, the Net OPEB Liability Schedule of Contributions on page 91, the Town's Schedules of Contributions – Miscellaneous Plan on page 92, and the Schedules of the Town's proportionate Share of the Net Pension Liability on page 93, 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 accompanying supplementary information, which includes the combining and individual nonmajor fund financial statements, the introductory section and the supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and supplementary schedules 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 it

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 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.

December 19, 2019

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the Town of Woodside (Town) for the fiscal year ended June 30, 2019. 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 2019 in robust fiscal health with combined fund (excluding sewer funds) balances of \$10.1 million, a 23.2% increase from fiscal year 2018.

The Town also began the fiscal year with a \$7.3 million balance in the General Fund (which consists of revenue mostly from property tax, sales tax, and fees), a figure that represents over 90% of 2019 operating revenue, well over the 30% required by the Town financial reserve policy.

The budget for the year included \$7,491,152 for General Fund operations 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 \$143,549 and \$1.3 million to support road projects, such as the annual road rehabilitation project. The CIP also includes funds from four other sources, the State of California's gas tax (augmented this year by new funding from SB1), fines, road impact fees, and the San Mateo County Measure A sales tax. Projects include the annual road rehabilitation project; completion work on the Old La Honda, Portola Road, and Kings Mountain bridges; completion of the repair of the Mountain Home Road metal beam guard rail; design of the Kings Mountain Road right of way stabilization; the bike pedestrian path on Kings Mountain Road; the completion of Safe Routes to School improvements on the Woodside School path: and completion of a path on Hillside Drive from Alta Mesa to Glenwood Avenue in the Glens.

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.

In April 2018 the Town had Bartle Wells Associates prepare a Sewer rate study for the Town Sewer center pump 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) increases from \$1,450 to \$2,300 incrementally through fiscal year 2023. All other rates were increased accordingly.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

FINANCIAL HIGHLIGHTS, CONTINUED

The Town of Woodside ended FY 2019 in an even better financial position, with combined fund balances of \$10.25 million, a 1.5% increase. This is due to underspending the expense budget and revenues which were greater than what was budgeted. This increase in fund balances occurred in FY 2019 despite the budget including a plan to spend down \$1.5 million for capital improvements (one-time expenditures).

The Town ended the fiscal year with a \$7.75 million balance in the General Fund, a figure which represents almost 100% of 2019 operating revenue, also well over the 30% required by the Town financial reserve policy.

The Town's five-year forecast plans to continue spending the General Fund surplus on capital improvements. In 2019-20, these include road and storm drain rehabilitation and the repair of the stream bank on Kings Mountain Road, improvements at Barkley Park, and Mountain Home Road metal beam guard rail repair.

Highlights

- ◆ In total, Town assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$24.5 million, which is a \$116,519 increase compared to the beginning net position. (page 8).
- ◆ Enterprise Fund net position increased \$250,942 to \$1.3 million. The net position includes \$611,734 (page 18), which was the amount due from the Sewer fund to the General Fund. (Page 8)
- ◆ Governmental fund balances slightly decreased \$134,423, to \$23.2 million. Of this amount, \$5.1 million was unrestricted and available for spending at the Town's discretion. \$1.2 million is restricted special revenue funds (Page 8).
- ◆ The Town's total revenues for governmental and business-type activities slightly decreased \$375,000 or 3.4% in fiscal year 2019. Decreases can be attributed to decreases in charges for services (decreased building and planning activity of \$135,168 which also reduced public works fees by \$297,115 (plan check and road impact fees) (Page 13).
- ◆ Overall actual general fund revenues of \$8,557,048 were \$731,598 greater than budget of \$7,825,450. General fund expenses of \$7,207,111 were \$284,041 less than budget of \$7,491,152. This resulted in an overall \$1,015,639 revenues over expenses for FY 2019 general fund (Page 40).

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

OVERVIEW OF FINANCIAL STATEMENTS

This Annual Financial Report is in two major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information;
- 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.

All of 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 considered to be 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.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of 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, 2019, the Town's major funds are as follows:

GOVERNMENTAL FUNDS:

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

PROPRIETARY/ENTERPRISE FUND:

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

FIDUCIARY FUNDS:

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

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

Fund Financial Statements, Continued

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.

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 57-88 of this report. Required Supplementary Information follows the notes on page 90.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 98-112 of this report.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as an indicator of the Town’s financial position. In the case of the Town, assets exceeded liabilities by \$24,515,384 at the close of FY 2019. Capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 75% of the Town’s net position.

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

Summary of Net Position

	2019			2018			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Current and other assets	\$ 11,288,189	\$ (36,460)	\$ 11,251,729	\$ 11,070,355	\$ (325,129)	\$ 10,745,226	\$ 506,503	4.7%
Noncurrent assets	16,892,862	1,475,076	18,367,938	17,011,048	1,521,742	18,532,790	(164,852)	-0.9%
Deferred outflows of resources	1,253,349	28,886	1,282,235	1,506,937	31,534	1,538,471	(256,236)	-16.7%
Total assets and deferred outflows of resources	29,434,400	1,467,502	30,901,902	29,588,340	1,228,147	30,816,487	85,415	0.3%
Current and other liabilities	1,067,830	13,840	1,081,670	999,304	19,490	1,018,794	62,876	6.2%
Long-term liabilities	4,680,163	134,993	4,815,156	4,812,888	141,709	4,954,597	(139,441)	-2.8%
Deferred inflows of resources	477,263	12,429	489,692	432,581	11,650	444,231	45,461	10.2%
Total liabilities and deferred inflows of resources	6,225,256	161,262	6,386,518	6,244,773	172,849	6,417,622	(31,104)	-0.5%
Net position:								
Net investment in capital assets	16,892,862	1,475,076	18,367,938	17,011,048	1,521,742	18,532,790	(164,852)	-0.9%
Restricted	1,233,252	-	1,233,252	1,548,996	-	1,548,996	(315,744)	-20.4%
Unrestricted	5,083,030	(168,836)	4,914,194	4,783,523	(466,444)	4,317,079	597,115	13.8%
Total net position	\$ 23,209,144	\$ 1,306,240	\$ 24,515,384	\$ 23,343,567	\$ 1,055,298	\$ 24,398,865	\$ 116,519	0.5%

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 \$18,367,938. Total restricted funds are \$1,233,252 and represent Measure A, gas taxes, library fund, and law enforcement funds. \$4,914,194 represents unrestricted funds (General Funds) and is used to meet the Town’s ongoing obligations to citizens and creditors.

The largest change is a \$256,236 decrease of deferred outflows of resources from \$1,538,471 to \$1,282,235. This is primarily due to a \$277,448 decrease in pension plan obligations and a \$21,212 increase in Other Post-Employment Benefits (OPEB) obligations both of which are actuarial calculated values. There is also a decrease in long term liabilities of \$139,441 also due to the net decrease in both OPEB and pension plan obligations. Restricted funds also decreased by \$315,744 due to the draw down of Measure A and gas tax funds used for capital projects this fiscal year. Unrestricted funds increased \$597,115 mainly due to increased property taxes

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The Town's total revenues for governmental and business-type activities were \$10,473,450 (see table on Page 13) for the fiscal year ended June 30, 2019. Approximately 91% 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 \$10,846,963, therefore revenue is \$373,513 less, a 3% total decrease.

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

1. **Charges for Services** – Charges for services has gone down \$456,881 or 16% from last year. Development related fees and permits have contributed the most to this decrease. Specifically, in FY 2019 there was an approximately \$79,000 decrease in building permits and \$56,000 decrease in other building related permits in Woodside. Decreases in public works related permits was \$297,000, which includes road impact fees and engineering and plan checks (building related fees). There was also a \$30,000 decrease in recreation fees because yoga classes were cancelled for the summer of 2019. There was a small increase in Sewer revenue of \$9,500 resulting from an increase in overall sewer fees and also an increase of penalties fees of \$7,000. There was also a decrease in the administration department, consisting mostly of staff charges against deposits, of approximately \$11,000. No changes in the Fee Schedule have taken place since May 2013.
2. **Property Taxes and Assessments** – The property taxes and assessments category for FY 2019 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 2019 revenue shows an increase of 7.2% (\$353,761) due to increased property taxes. Overall secured property taxes are up \$190,000 or 5.6% from last year due to an increase in secured property tax value. Another large increase came from prior years property tax from San Mateo County of \$101,000.

The Library revenue increased \$36,000 which was requested from the Town's share of the San Mateo County Library JPA funds for increased operational expenses this fiscal year (the Library JPA is explained in more detail on page 19).

3. **Grants and Contributions – Operating and Capital** – The Grants and Contributions category for FY 2019 decreased \$430,000 from last fiscal year. Operating grants increased \$58,774. The operating sub-categories include: State Citizens' Option for Public Safety (COPS) program, which increased \$9,000 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 \$42,500 overall; and Measure A tax which increased \$7,500.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital grants included: Highway Bridge Program (HPB) grants for Kings Mountain Road, Mountain Home Road, and Portola Road bridges totaling \$42,971; \$1,930 grant from Canada college for the Farm Hill signal replacement; Old La Honda Road Bridge grant for \$26,800 from the Department of Transportation. Capital (one time) grants decreased by a total of \$488,000 because of the Office of Emergency Service (OES) grants last fiscal year and none this year.

4. **Sales and use tax** – Sales tax experienced a \$75,000 or 10% decrease in FY 2019 due to a decrease in sales tax revenues from last fiscal year from the State of California. The decrease is due to several late double payments in FY 2018 and none in FY 2019. In addition, county pool allocations have varied significantly primarily due to large one-time out of state purchases of equipment. Late payments in the second quarter of 2018 were likely the result of the state converting over to a new software. The system was fraught with problems and caused delays in processing sales tax returns.

5. **Franchises** - Franchise revenues for the Town of Woodside are derived from multiple year franchise agreements with gas, electric, water, garbage, cable TV, and telecommunications providers. Revenues from this source have increased \$22,844 or 4.7% from last year.

Expenses

Governmental and business-type activities expenses of the Town totaled \$10,356,931 (see table on page 13) for the year, a 9.5% or \$895,506 increase from last fiscal year. Governmental activities expenses totaled \$10,039,565 or 97% of total expenses. Each of the departments expense highlights follow in the order it appears on page 13 on the 'Changes in Net Position' table.

Town Council expenses increased \$7,316 or 14% due to elections and a new climate leaders' event in FY 2019 and neither expense in FY 2018.

The **Administration and Finance** Department expenses increased by \$99,604 or 7% from FY 2018 to FY 2019. Expenses increased about \$20,000 (1.5%) due to increases in salary and benefits, the remaining \$80,000 is due to the reconciliation (page 38) of the OPEB and pension plan long term liabilities, which are held only in the administration and finance department (instead of being spread to all applicable other departments).

Planning Department had increased expenses of \$54,459 a 5.5% increase or \$97,354, due to an increase in professional services (staff augmentation), overtime, and conferences (required for planning certification) in FY 2019. There were more and larger planning projects in FY 2019, than FY 2018.

Building and Grounds costs were down \$32,755 or 15.7%, due to less Public Works salaries being allocated to this department. Most work at Town sites is completed by outside contractors.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The **Town-wide Overhead** expense decreased 6.7% or \$27,519 from FY 2018 to FY 2019, mostly due to a decrease in insurance and bonds from \$112,000 to \$85,000 due to decreased premiums from the Town's risk management carrier PLAN (Note 9, page 75). The decrease in premium is due to reduced claims in the last three years.

Safety Services costs represented 25.4% (\$2,550,847) of total governmental activities expenses, a \$349,454 or 16% increase from last year. The safety services increase is due to a new contractual increase for services from San Mateo County of \$350,000 for 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 (shared with the Town of Portola Valley). Expenses for the Town's Defensible Space Matching Fund Program was about \$24,000 or 6% less than FY 2018.

Trails and Stables expenses increased \$30,000 or 55%, mostly due to increased allocation of salaries (based on public works staff hourly time sheets from FY 2018 and prior years) to the Trails increasing the budget by \$20,000.

Barkley Fields expenses decreased slightly by \$2,205 or 1% due to ordinary fluctuations in maintenance and water expenses for the field.

Library expenses increased slightly \$5,347 or 3.8% due to minor additional one-time maintenance contractor services (new light, vent, etc) for the library in FY 2019.

Recreation expenses decreased by \$19,654 or 20% due to the cancellation of yoga classes for the summer of 2019. There was also a similar decrease in revenue as Recreation classes are full cost recovery.

Public Works costs amounted to \$3,764,376 or 37.5% of total governmental expenses, an increase of \$596,389 or 18.8% from FY2018. The previous year's road rehabilitation ended earlier than usual (July 2017), so there were less expenses (only \$173,954) in FY 2018. Because the Town uses accrual accounting for June, when expenses come in July and August they are accrued to June of the previous fiscal year.

One of the main components of the Public Works Department expenses are capital project expenses (most are not capital assets, so are not depreciated). Capital projects are usually one-time expenses and included in the capital section of the budget. The following are capital project expenses for this year and the last two years:

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Projects *	FY 2018-19 Expenses	FY 2017-18 Expenses	FY 2016-17 Expenses
2016 Road Improvement Project		\$ -	\$ 526,536
Storm Drain Project	143,549	75,017	496,337
2017 Road Improvement Project	14,971	173,954	346,721
2018 Road Improvement Project	599,530		
Library Remodel Project		-	196,368
Woodside School Path	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	21,784	3,997	-
Kings Mountain Road Bridge Impv	25,091	15,811	-
Portola Rd Bridge Improvement	8,884	31,926	-
Kings Mountain Road Bank Repair	38,128	54,530	-
Bike Ped Kings Mtn Rd Safety	33,134	14,613	-
Mt Home Rd Metal Beam Guard Rail	207,653	13,662	-
Kings Mt Rd ROW Stabilization	161,625		
Glens Pathway	53,534		
Solar/EV Installation	16,150		
Barkley Improvements	117,853		
TOTAL	1,482,553	\$ 737,511	\$ 1,863,037

*Cost of road projects are expensed, not capitalized (depreciated).

Business type activities (sewer system) had revenues that were \$251,000 or 25% higher than last fiscal year. In FY 2018 there was a \$22,057 reimbursement due for the Redwood Creek sewer and none in FY 2019. Last fiscal year there was a \$145,000 auditors’ adjustment for capital assets and depreciation and no adjustment for FY 2019. The fees for sewer service were 27% higher in FY 2019.

For more details about Business type activities (revenues and expenses) see pages 15-17.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2019, and 2018, follows (pages 28 and 29):

Changes in Net Position

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,816,527	\$ 596,230	\$ 2,412,757	\$ 2,282,859	\$ 586,779	\$ 2,869,638
Grants and contributions:						
Operating	705,417	-	705,417	646,643	-	646,643
Capital	71,712	-	71,712	559,974	-	559,974
General revenues:						
Property taxes and assessments	5,252,866	-	5,252,866	4,899,105	-	4,899,105
Sales and use tax	673,074	-	673,074	748,344	-	748,344
Property transfer tax	163,529	-	163,529	198,534	-	198,534
Other taxes	75,000	-	75,000	82,488	-	82,488
Franchises	505,139	-	505,139	482,295	-	482,295
Business licenses	165,305	-	165,305	156,868	-	156,868
Fines and forfeitures	49,805	-	49,805	25,849	-	25,849
Use of money and property	282,792	10,978	293,770	133,057	9,033	142,090
Other general revenues	105,076	-	105,076	35,135	-	35,135
Total revenues	9,866,242	607,208	10,473,450	10,251,151	595,812	10,846,963
Expenses:						
Governmental activities:						
Town Council	58,497	-	58,497	51,181	-	51,181
Administration and Finance	1,509,022	-	1,509,022	1,409,418	-	1,409,418
Planning Department	1,037,586	-	1,037,586	983,127	-	983,127
Buildings and Grounds	175,041	-	175,041	207,796	-	207,796
Town-wide Overhead	383,302	-	383,302	410,821	-	410,821
Safety Services	2,550,847	-	2,550,847	2,201,393	-	2,201,393
Trails and Stables	85,260	-	85,260	55,187	-	55,187
Barkley Fields	252,806	-	252,806	255,011	-	255,011
Library Services	146,752	-	146,752	141,405	-	141,405
Public Works	3,764,376	-	3,764,376	3,167,987	-	3,167,987
Recreation and Open Space	76,076	-	76,076	95,730	-	95,730
Business-type activities:						
Sewer Capital Improvement	-	-	-	-	22,058	22,058
Sewer Utility	-	288,022	288,022	-	433,320	433,320
Cañada Corridor Sewer	-	29,344	29,344	-	26,991	26,991
Total expenses	10,039,565	317,366	10,356,931	8,979,056	482,369	9,461,425
Excess (Deficiency) of revenues over expenditures before transfers	(173,323)	289,842	116,519	1,272,095	113,443	1,385,538
Transfers	38,900	(38,900)	-	46,000	(46,000)	-
Change in net position	(134,423)	250,942	116,519	1,318,095	67,443	1,385,538
Net position:						
Beginning of year	23,343,567	1,055,298	24,398,865	22,952,197	987,855	23,940,052
Adjustments	-	-	-	(926,725)	-	(926,725)
Beginning, as adjusted	23,343,567	1,055,298	24,398,865	22,025,472	987,855	23,013,327
End of year	\$ 23,209,144	\$ 1,306,240	\$ 24,515,384	\$ 23,343,567	\$ 1,055,298	\$ 24,398,865

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities

The cost of all governmental activities this year is \$10,039,565. However, as shown in the Statement of Activities on page 28 and 29, the amount that taxpayers ultimately financed for governmental activities was \$7,445,909. Those who directly benefited from town programs paid \$1,816,527. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$705,417 for operations and \$71,712 for capital. The Town paid the remaining "public benefit" portion of government activities with \$5,252,866 in property taxes, \$1,736,928 in other general revenues, and \$293,770 in use of money and property.

Referring to the Changes in Net Position statement (page 13), total resources available during the year to finance governmental operations were \$9,866,242. This consisted of \$2,593,656 in program revenues and \$7,272,586 in general revenues.

Total governmental activities operating expenses during the year were \$10,039,565. Net position beginning balance at July 1, 2018, was \$23,343,567. This decreased by \$134,423 to an ending balance net position of \$23,209,144 at June 30, 2019. This net position decrease is primarily due to a \$384,909 or 3.75% decrease in actual revenues and increase of \$1,060,509 or 11.8% in actual expenses.

The specific decreases in revenue are, charges for services which includes decreased building and planning activity by \$135,168, which also reduced public works fees by \$297,115 (plan check and road impact fees). Capital and operating grants decreased by \$429,488, mostly due to several Office of Emergency Services grants and a San Mateo County Measure A grant last year and none this year. Increases include property taxes (\$353,761), franchise fees (\$22,844), business licenses (\$8,437), and fines and forfeitures (\$23,956).

Expenses were \$1,060,509 more (differences in departments noted above on page 10 and 11). The largest increase was in Public Works due to the road rehabilitation expenses for the summer of 2017 being captured in FY 2017, instead of FY 2018. This made FY 2018 abnormally low. FY 2019 road rehabilitation expenses were on track at \$599,530.

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, 2019, and 2018, are as follows:

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Position	
	2019	2018	2019	2018	2019	2018
	Governmental activities:					
Town Council	\$ -	\$ -	\$ 58,497	\$ 51,181	\$ (58,497)	\$ (51,181)
Administration and Finance	173,553	184,855	1,509,022	1,409,418	(1,335,469)	(1,224,563)
Planning Department	534,423	669,591	1,037,586	983,127	(503,163)	(313,536)
Buildings and Grounds	-	-	175,041	207,796	(175,041)	(207,796)
Town-wide Overhead	-	-	383,302	410,821	(383,302)	(410,821)
Safety Services	186,197	169,935	2,550,847	2,201,393	(2,364,650)	(2,031,458)
Trails and Stables	945	1,065	85,260	55,187	(84,315)	(54,122)
Barkley Fields	11,375	10,938	252,806	255,011	(241,431)	(244,073)
Library Services	-	-	146,752	141,405	(146,752)	(141,405)
Public Works	1,574,330	2,310,264	3,764,376	3,167,987	(2,190,046)	(857,723)
Recreation and Open Space	112,833	142,828	76,076	95,730	36,757	47,098
Total governmental activities	\$ 2,593,656	\$ 3,489,476	\$ 10,039,565	\$ 8,979,056	\$ (7,445,909)	\$ (5,489,580)

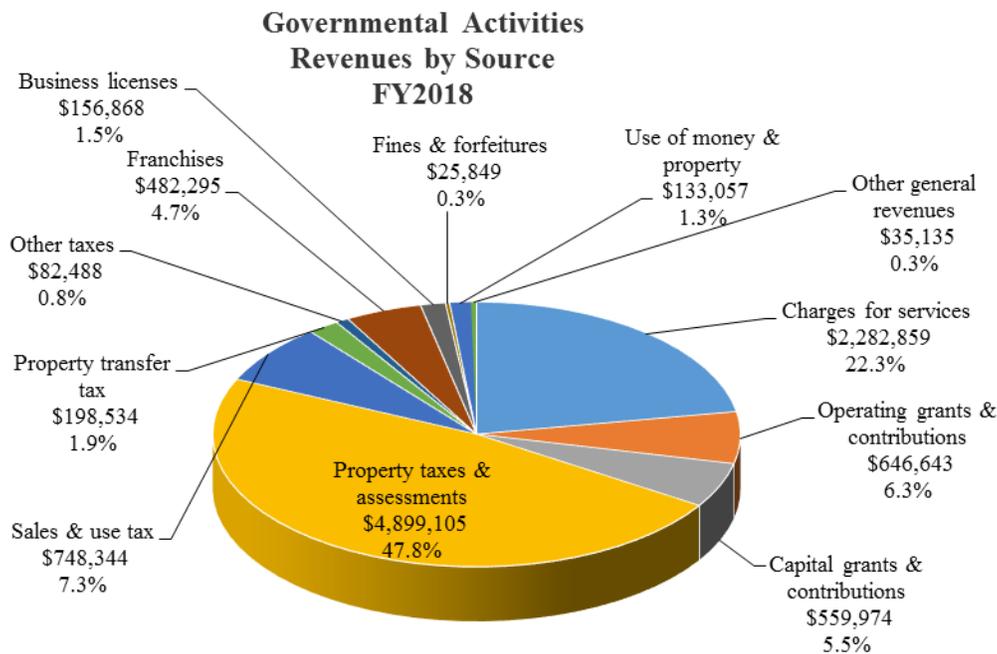
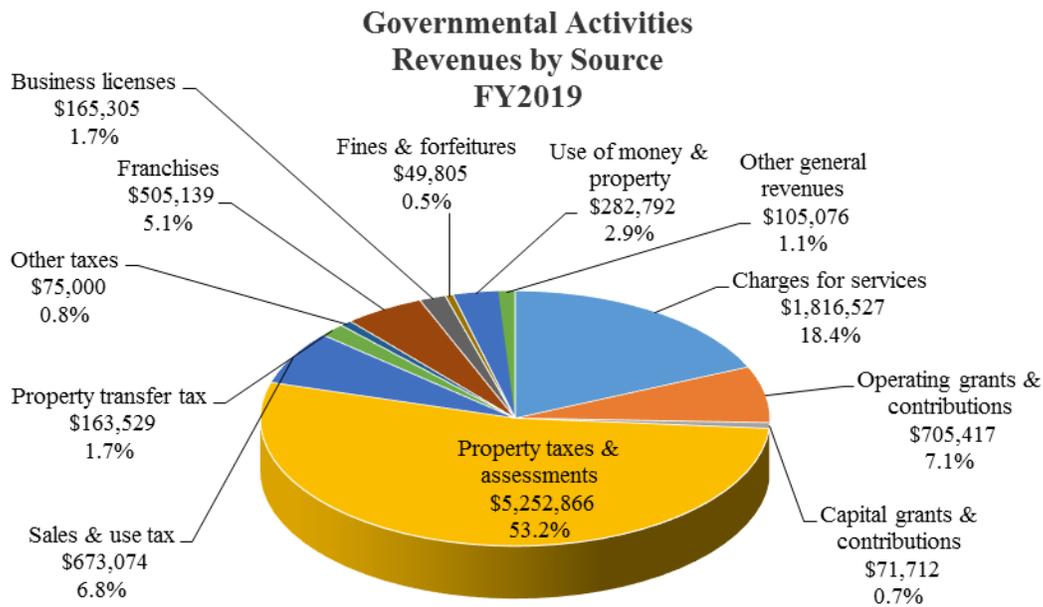
Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2019, and 2018, are as follows:



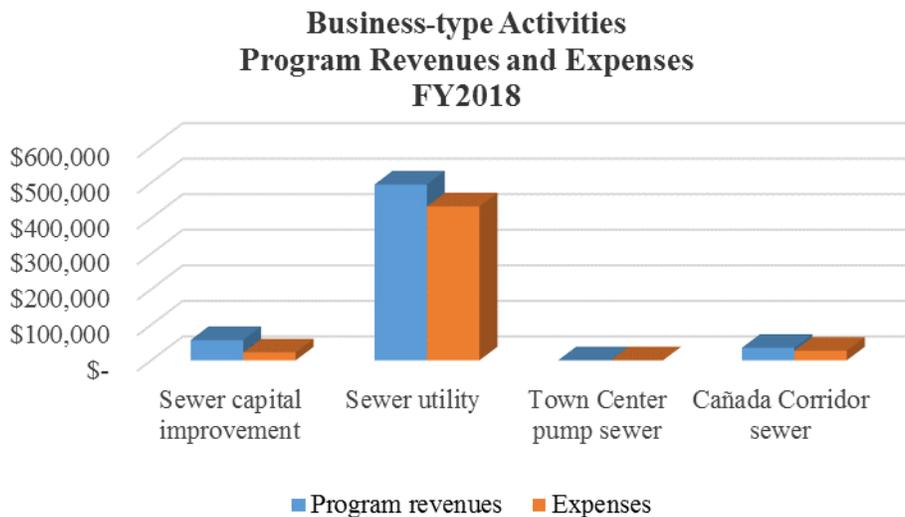
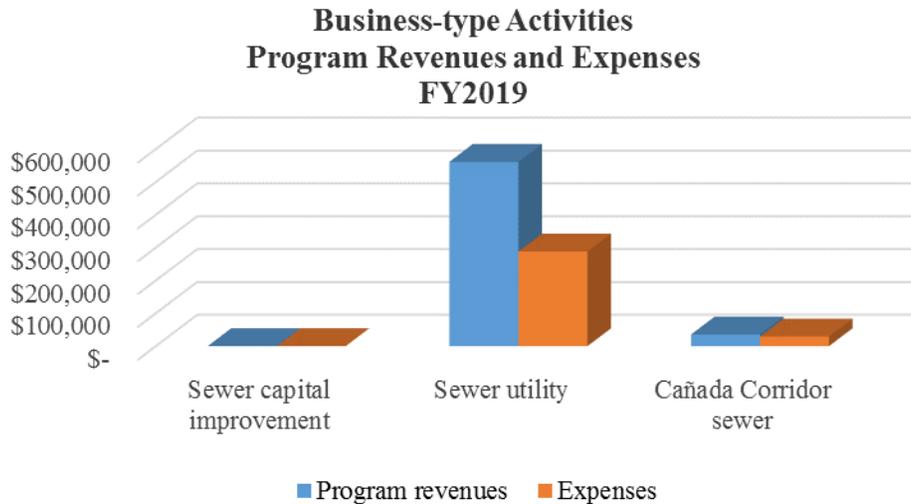
Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities

Business-type activities incurred \$317,366 in expenses during the fiscal year. The Town has three business-type funds, which are the Sewer Capital Improvement, Sewer Utility (also includes Town Center pump sewer this fiscal year), and Cañada Corridor Sewer Funds. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2019, and 2018, are as follows:



Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

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, 2019, increased \$183,499 from FY 2018. The following table is a re-statement of the Statement of Business-type Activities outlining the components of this increase.

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

	6/30/2019	6/30/2018	Change	% Change
Revenues:				
Charges for Services	\$ 596,230	\$ 469,862	\$ 126,368	26.9%
Operating grants and contributions	-	-	-	100.0%
Sewer Contractor Settlement	-	116,917	\$ (116,917)	
Use of money and property (interest)	10,978	9,033	1,945	21.5%
Total	\$ 607,208	\$ 595,812	\$ 11,396	1.9%
Expenses:				
Redwood Creek Sewer	\$ -	\$ 22,058	\$ (22,058)	-100.0%
Town Sewer Utility	288,022	433,320	(145,298)	-
Cañada Corridor Sewer	29,344	26,991	2,353	8.7%
Total	\$ 317,366	\$ 482,369	\$ (165,003)	-34.2%
Excess (Deficiency) of revenues over expenditures before transfers	\$ 289,842	\$ 113,443	\$ 176,399	155.5%
Transfers	(38,900)	(46,000)	7,100	-15.4%
Change in Net Position	\$ 250,942	\$ 67,443	\$ 183,499	272.1%

Business-type activities total revenue for FY 2019 is \$607,208. Revenues for this year exceeded expenses by \$289,842 before transfers. These revenues are received from two sources, Charges for Sewer Services \$596,230, and LAIF Investment Earnings \$10,978. 98% of the funding received for Sewer business services is derived through charges for this service.

Charges for sewer services were up 27% or \$126,368. There was an overall increase in residential and commercial sewer fees (a sewer utility bill paid by residents and business’ through their property tax bill) and one new Redwood Creek Sewer connection fee of \$14,250 (three less from last fiscal year), there was not a new connection to the Town Center Sewer. In addition, last year there was a sewer contractor settlement reimbursement of a \$116,917 for a design error for the new Town Center Pump, which the Town didn’t have this fiscal year. Overall revenue increased slightly from last year by \$11,396 or 1.9%. The balance of Sewer revenue is LAIF investment earnings on cash.

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 2019 the second payment of \$100,000 was paid back to the general fund from the Town Center Sewer pump fund, \$611,734 principal balance remains.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Sewer expenses were \$165,003 lower in FY 2019. Expenses are mainly maintenance, transportation and treatment contracts that cover operations of the sewer. These expenses have increased \$25,000. Items that caused a decrease were \$85,000 less in one-time engineering expenses from the new sewer pump station construction from last fiscal year and a \$60,000 depreciation adjustment last fiscal year and none this year. Also, last fiscal year there was a \$22,058 refund to certain residents and none this year.

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

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 (pages 32 and 33).

The Town's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2019, the Town's governmental funds reported combined fund balances of \$10,245,653 (page 33). This is an increase of \$147,479 or 1.5% from last year. This slight increase results primarily from an increase in General Fund revenues of property taxes and decreased deposits and accounts payable.

- ◆ The increase of General Fund Cash and Investments of \$273,938 from FY 2018 is mostly due to a continued overall increase in most revenues, especially property taxes. The property taxes and assessments category for FY 2019 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 2019 revenue shows an increase of 7.2% (\$353,761) due to increased property taxes (page 36).
- ◆ There is an increase in the Library Operations Fund balance of \$45,080. This increase is due to an increase in the request from the Library Joint Powers Agreement (JPA) to reimburse fiscal year expenses. The actual expenses remained about the same for the year. The request to increase reimbursement was made to reduce previous years underpayments resulting in a negative balance last year of -\$31,587. 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 2019, \$522,037 was added to the JPA fund through property taxes. This left the JPA Woodside balance at \$1,986,082 as of June 30, 2019.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

- ◆ The Measure A Fund accounts for the Town’s share of a county-wide half-cent sales tax that is dedicated to transportation related projects. There was a decrease in Measure A fund balance this fiscal year of \$344,677 or 44% due to increased capital project expenditures of Measure A funds, which spent down the Measure A balance. Almost all the Capital Projects this year were partially funded by Measure A and totaled \$948,440 in expenses (page 36).
- ◆ 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 2019. 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. There were only \$203,309 in accounts payable 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, 2019, net capital assets of the governmental activities totaled \$16,892,862. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the Town’s Capital Assets net of depreciation:

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -
Buildings and improvements	7,290,306	7,370,099	-	-
Machinery and equipment	134,183	172,576	-	-
Pumps and collection systems	-	-	1,475,076	1,521,742
Total	\$ 16,892,862	\$ 17,011,048	\$ 1,475,076	\$ 1,521,742

Additional information on the Town’s capital assets can be found in Note 4 on page 70 of this report.

Capital Asset Activity

New governmental capital asset expense activity included \$117,852 for a new shade structure at Barkley Park and \$7,866 for a speed limit trailer to reduce speed on Woodside roads. In addition, \$45,680 in equipment was retired. For business (sewer) type activities a new spare Town Center Sewer Pump was purchased for \$12,403. Additional information on the Town’s capital assets can be found in Note 4 on page 70 of this report.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Long Term Liabilities

Long term liabilities decreased slightly by a total of \$134,554 or 3%.

The largest decrease of \$84,758 is due to a decrease 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 decrease is due to the CalPERS actuarial report reducing the Town's liability slightly in their 2018 report to \$3,468,149 from \$3,552,907.

The next largest decrease is \$34,720 and is 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 \$1,787,731, net of market value of assets (Town of Woodside's CalPERS OPEB account) of \$803,363, which is \$984,368 (\$34,720 less than FY 2018). Additional information can be found in Footnote 5 page 72 and Footnote 10 and 11 starting on page 76 of this report.

Compensated absences due at year end decreased \$15,076.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management’s Discussion and Analysis, Continued

NEXT YEAR’S BUDGETED APPROPRIATIONS

The adopted budget for all Town funds (excluding Sewer, Parking District, and Capital) for the new fiscal year of 2019-20 is \$9,850,013 and is summarized as follows:

	FY2019-20 (Budget)	FY2018-19 (Budget)	Amount Change	Percentage Change
General fund:				
Town Council	\$ 45,538	\$ 58,307	\$ (12,769)	(21.9)%
Administration and Finance	1,706,425	1,356,475	349,950	25.8%
Planning Department	1,263,087	1,029,850	233,237	22.6%
Buildings and Grounds	235,138	124,752	110,386	88.5%
Town-wide Overhead	461,650	338,555	123,095	36.4%
Safety Services	2,623,405	2,452,945	170,460	6.9%
Trails and Stables	107,708	89,400	18,308	20.5%
Barkley Fields	253,900	216,155	37,745	17.5%
Public Works	1,790,815	1,574,049	216,766	13.8%
Recreation and Open Space	117,000	73,888	43,112	58.3%
Total general fund:	8,604,666	7,314,376	1,290,290	17.6%
Special revenue funds:				
Library Operations	126,059	126,538	(479)	(0.4)%
Measure A	386,795	348,395	38,400	11.0%
Traffic Safety	31,650	31,350	300	1.0%
Road Impact Fees	360,176	342,750	17,426	5.1%
Gas Tax	185,667	176,000	9,667	5.5%
Supplemental Law Enforcement	155,000	130,000	25,000	19.2%
Total special revenue funds:	1,245,347	1,155,033	90,314	7.8%
Total Budget:	\$ 9,850,013	\$ 8,469,409	\$ 1,380,604	

1. General Fund – Overall there is a \$1,290,290 increase in the General Fund budget. Highlights include: decreased spending in Town Council due to elections last year and none this year; increased spending in Administration is due to three special (one-time) projects: a fee study, a sustainability consultant, and contract negotiators for a new Greenwaste franchise 10-year agreement; increased spending in Planning includes an architectural consultant for ASRB; Building and Grounds increased budget includes the special project of the restoration Kite Hill and Village Hill; Townwide overhead increased because liability and property insurance premiums increase, Safety Services increase is based on annual San Mateo County Sherriff contract increases; Trails increase is based on greater salary allocation to trails; Barkley Fields increase is due to increased maintenance of aging field; continued increased capital spending in public works is based on the capital program 5-year capital plan. Recreation increases are due to cancelled yoga classes for 3 months in FY 2019 and none in fiscal year 2020.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

NEXT YEAR'S BUDGETED APPROPRIATIONS, Continued

2. Library Operations – Library FY19 budget is about the same as FY 2018.
3. Measure A– Measure A FY 19 budget increased by \$38,400 to incorporate contributions of ten new and continuing capital road projects, the largest being the Glens Pathway.
4. Traffic Safety - Road Impact Fees, and Gas Tax – These roads tax and fee generated capital projects remain the same.
5. Supplemental Law Enforcement - Budget from year to year remained the same, except for this fiscal year the Town will take the current law enforcement revenue and some of the remaining balance to purchase speed trailers.

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, need additional financial information, or would like to obtain component unit financial statements, 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.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

Town of Woodside, California
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 10,362,578	\$ 570,644	\$ 10,933,222
Receivables:			
Accounts receivable	60,725	210	60,935
Interest receivable	66,500	4,420	70,920
Intergovernmental receivable	41,328	-	41,328
Taxes receivable	144,135	-	144,135
Other receivables	1,189	-	1,189
Internal balances	611,734	(611,734)	-
Capital assets:			
Nondepreciable	9,468,373	-	9,468,373
Depreciable	7,424,489	1,475,076	8,899,565
Total assets	28,181,051	1,438,616	29,619,667
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	999,520	28,886	1,028,406
OPEB	253,829	-	253,829
Total assets and deferred outflows of resources	\$ 29,434,400	\$ 1,467,502	\$ 30,901,902
LIABILITIES			
Accounts payable and accrued liabilities	\$ 469,424	\$ 13,840	\$ 483,264
Deposits payable	573,112	-	573,112
Compensated absences - current portion	25,294	-	25,294
Long-term liabilities:			
Compensated absences	227,646	-	227,646
Note payable	-	47,200	47,200
Net OPEB obligation	984,368	-	984,368
Net pension liability	3,468,149	87,793	3,555,942
Total liabilities	5,747,993	148,833	5,896,826
DEFERRED INFLOWS OF RESOURCES			
Pension plan	209,282	12,429	221,711
OPEB	267,981	-	267,981
Total deferred inflows of resources	477,263	12,429	489,692
NET POSITION			
Net investment in capital assets	16,892,862	1,475,076	18,367,938
Restricted	1,233,252	-	1,233,252
Unrestricted	5,083,030	(168,836)	4,914,194
Total net position	23,209,144	1,306,240	24,515,384
Total liabilities, deferred inflows of resources and net position	\$ 29,434,400	\$ 1,467,502	\$ 30,901,902

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

Town of Woodside, California
Statement of Activities
For the year ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Town Council	\$ 58,497	\$ -	\$ -	\$ -
Administration and Finance	1,509,022	173,553	-	-
Planning Department	1,037,586	534,423	-	-
Buildings and Grounds	175,041	-	-	-
Town-wide Overhead	383,302	-	-	-
Safety Services	2,550,847	37,450	148,747	-
Trails and Stables	85,260	945	-	-
Barkley Fields	252,806	11,375	-	-
Library Services	146,752	-	-	-
Public Works	3,764,376	945,948	556,670	71,712
Recreation and Open Space	76,076	112,833	-	-
Total governmental activities	10,039,565	1,816,527	705,417	71,712
Business-type activities:				
Sewer Capital Improvement	-	-	-	-
Sewer Utility	288,022	561,087	-	-
Cañada Corridor Sewer	29,344	35,143	-	-
Total business-type activities	317,366	596,230	-	-
Total primary government	\$ 10,356,931	\$ 2,412,757	\$ 705,417	\$ 71,712
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Sales and use tax				
Property transfer tax				
Other taxes				
Franchises				
Business licenses				
Fines and forfeitures				
Use of money and property				
Other general revenues				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position:				
Beginning of year				
Net position - Ending				

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (58,497)	\$ -	\$ (58,497)
(1,335,469)	-	(1,335,469)
(503,163)	-	(503,163)
(175,041)	-	(175,041)
(383,302)	-	(383,302)
(2,364,650)	-	(2,364,650)
(84,315)	-	(84,315)
(241,431)	-	(241,431)
(146,752)	-	(146,752)
(2,190,046)	-	(2,190,046)
36,757	-	36,757
(7,445,909)	-	(7,445,909)
-	-	-
-	273,065	273,065
-	5,799	5,799
-	278,864	278,864
\$ (7,445,909)	\$ 278,864	\$ (7,167,045)
5,252,866	-	5,252,866
673,074	-	673,074
163,529	-	163,529
75,000	-	75,000
505,139	-	505,139
165,305	-	165,305
49,805	-	49,805
282,792	10,978	293,770
105,076	-	105,076
7,272,586	10,978	7,283,564
38,900	(38,900)	-
7,311,486	(27,922)	7,283,564
(134,423)	250,942	116,519
23,343,567	1,055,298	24,398,865
\$ 23,209,144	\$ 1,306,240	\$ 24,515,384

This page intentionally left blank.

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.

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

Town of Woodside, California
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
ASSETS			
Cash and investments	\$ 9,162,998	\$ 15,877	\$ 415,661
Receivables:			
Accounts	60,725	-	-
Interest	59,462	1,591	90
Intergovernmental	-	-	26,114
Taxes receivable	144,135	-	-
Other receivable	-	-	-
Advances to other funds	611,734	-	-
Total assets	\$ 10,039,054	\$ 17,468	\$ 441,865
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 250,232	\$ 3,975	\$ 2,352
Deposits payable	573,112	-	-
Total liabilities	823,344	3,975	2,352
Fund balances:			
Nonspendable	611,734	-	-
Restricted	-	13,493	439,513
Unassigned (deficit)	8,603,976	-	-
Total fund balances	9,215,710	13,493	439,513
Total liabilities and fund balances	\$ 10,039,054	\$ 17,468	\$ 441,865

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

Capital Projects Fund Capital Projects	Nonmajor Governmental Funds	Totals
\$ -	\$ 768,042	\$ 10,362,578
-	-	60,725
-	5,357	66,500
-	15,214	41,328
-	-	144,135
-	1,189	1,189
-	-	611,734
\$ -	\$ 789,802	\$ 11,288,189

\$ 203,309	\$ 9,556	\$ 469,424
-	-	573,112
203,309	9,556	1,042,536
-	-	611,734
-	780,246	1,233,252
(203,309)	-	8,400,667
(203,309)	780,246	10,245,653
\$ -	\$ 789,802	\$ 11,288,189

Town of Woodside, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances - total governmental funds \$ 10,245,653

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

Long-term receivables are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 16,892,862

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	\$ (252,940)	
Net OPEB obligation	(984,368)	
Net pension liability	<u>(3,468,149)</u>	(4,705,457)

Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities

Deferred outflows	1,253,349	
Deferred inflows	<u>(477,263)</u>	<u>776,086</u>

Net position of governmental activities \$ 23,209,144

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

Town of Woodside, California
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position
Governmental Activities
June 30, 2019

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
ASSETS				
Cash and investments	\$ 10,362,578	\$ -	\$ -	\$ 10,362,578
Receivables:				
Accounts receivable	60,725	-	-	60,725
Interest receivable	66,500	-	-	66,500
Intergovernmental receivable	41,328	-	-	41,328
Taxes receivable	144,135	-	-	144,135
Other Receivables	1,189	-	-	1,189
Internal balances	-	611,734	-	611,734
Due from other funds	-	-	-	-
Advances to other funds	611,734	(611,734)	-	-
Capital assets, net	-	-	16,892,862	16,892,862
Total assets	11,288,189	-	16,892,862	28,181,051
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	-	-	999,520	999,520
OPEB	-	-	253,829	253,829
Total assets and deferred outflows of resources	\$ 11,288,189	\$ -	\$ 18,146,211	\$ 29,434,400
LIABILITIES				
Accounts payable and accrued liabilities	\$ 469,424	\$ -	\$ -	\$ 469,424
Deposits payable	573,112	-	-	573,112
Due to other funds	-	-	-	-
Compensated absences - current	-	-	25,294	25,294
Total current liabilities	1,042,536	-	25,294	1,067,830
Compensated absences	-	-	227,646	227,646
Net OPEB obligation	-	-	984,368	984,368
Net pension liability	-	-	3,468,149	3,468,149
Total liabilities	1,042,536	-	4,705,457	5,747,993
DEFERRED INFLOWS OF RESOURCES				
Pension plan	-	-	209,282	209,282
OPEB	-	-	267,981	267,981
Total deferred outflows of resources	-	-	477,263	477,263
FUND BALANCES/NET POSITION				
Fund balances:				
Nonspendable reported in:				
General Fund	611,734	(611,734)	-	-
Restricted reported in:				
Special revenue funds	1,233,252	(1,233,252)	-	-
Unassigned (deficit), reported in:				
General Fund	8,603,976	(8,603,976)	-	-
Special revenue funds	(203,309)	203,309	-	-
Net position:				
Net investment in capital assets	-	-	16,892,862	16,892,862
Restricted	-	-	1,233,252	1,233,252
Unrestricted	-	10,245,653	(5,162,623)	5,083,030
Total fund balances/ net position	10,245,653	-	12,963,491	23,209,144
Total liabilities and net position	\$ 11,288,189	\$ -	\$ 18,146,211	\$ 29,434,400

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

Town of Woodside, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
REVENUES:			
Taxes and assessments	\$ 5,725,221	\$ 170,000	\$ 338,556
Licenses and permits	705,016	-	-
Fines and forfeitures	16,543	-	-
Intergovernmental	774,387	-	-
Use of money and property	254,997	193	8,601
Charges for services	974,908	-	-
Other revenues	105,976	-	-
Total revenues	8,557,048	170,193	347,157
EXPENDITURES:			
Current:			
Town Council	58,497	-	-
Administration and Finance	1,345,306	-	-
Planning Department	1,035,391	-	-
Buildings and Grounds	121,570	-	-
Town-wide Overhead	347,532	-	-
Safety Services	2,420,165	-	-
Trails and Stables	85,260	-	-
Barkley Fields	167,657	-	-
Library Services	-	88,113	-
Public Works	1,549,657	-	183,394
Recreation and Open Space	76,076	-	-
Capital outlay	-	-	-
Total expenditures	7,207,111	88,113	183,394
REVENUES OVER (UNDER) EXPENDITURES	1,349,937	82,080	163,763
OTHER FINANCING SOURCES (USES):			
Transfers in	398,900	-	600,000
Transfers out	(1,129,564)	(37,000)	(1,108,440)
Total other financing sources (uses)	(730,664)	(37,000)	(508,440)
Net change in fund balances	619,273	45,080	(344,677)
FUND BALANCES:			
Beginning of year	8,596,437	(31,587)	784,190
End of year	<u>\$ 9,215,710</u>	<u>\$ 13,493</u>	<u>\$ 439,513</u>

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

Capital Projects Fund Capital Projects	Nonmajor Governmental Funds	Totals
\$ -	\$ 218,114	\$ 6,451,891
-	-	705,016
-	48,524	65,067
69,782	148,747	992,916
-	19,001	282,792
-	281,808	1,256,716
-	5,868	111,844
<u>69,782</u>	<u>722,062</u>	<u>9,866,242</u>
-	-	58,497
-	-	1,345,306
-	-	1,035,391
-	-	121,570
-	-	347,532
-	130,000	2,550,165
-	-	85,260
-	-	167,657
-	-	88,113
1,615,771	407,556	3,756,378
-	-	76,076
117,852	7,866	125,718
<u>1,733,623</u>	<u>545,422</u>	<u>9,757,663</u>
<u>(1,663,841)</u>	<u>176,640</u>	<u>108,579</u>
1,476,204	-	2,475,104
-	(161,200)	(2,436,204)
<u>1,476,204</u>	<u>(161,200)</u>	<u>38,900</u>
(187,637)	15,440	147,479
<u>(15,672)</u>	<u>764,806</u>	<u>10,098,174</u>
<u>\$ (203,309)</u>	<u>\$ 780,246</u>	<u>\$ 10,245,653</u>

Town of Woodside, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2019

Functions/Programs	Fund Based Totals	Compensated Absences	Depreciation	Capital Asset (Additions), Retirements & Adjustments	OPEB Expense	Pension Plan	Government- wide Totals
Governmental activities:							
Town Council	\$ 58,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,497
Administration and Finance	1,345,306	(15,076)	-	-	(92,136)	270,928	1,509,022
Planning Department	1,035,391	-	2,195	-	-	-	1,037,586
Buildings and Grounds	121,570	-	53,471	-	-	-	175,041
Town-wide Overhead	347,532	-	35,770	-	-	-	383,302
Safety Services	2,550,165	-	682	-	-	-	2,550,847
Trails and Stables	85,260	-	-	-	-	-	85,260
Barkley Fields	167,657	-	85,149	-	-	-	252,806
Library Services	88,113	-	58,639	-	-	-	146,752
Public Works	3,756,378	-	6,932	1,066	-	-	3,764,376
Recreation and Open Space	76,076	-	-	-	-	-	76,076
Capital outlay	125,718	-	-	(125,718)	-	-	-
Total governmental activities	\$ 9,757,663	\$ (15,076)	\$ 242,838	\$ (124,652)	\$ (92,136)	\$ 270,928	\$ 10,039,565

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, 2019

Net change in fund balances - total governmental funds \$ 147,479

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 asset adjustments	\$ (1,066)	
Depreciation expense	<u>(242,838)</u>	(118,186)

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 interest payable		
Change in claim liabilities		
Change in compensated absences	15,076	
Change in net pension liability	<u>(270,928)</u>	(255,852)

Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net OPEB obligation		92,136
---------------------	--	--------

Change in net position of governmental activities		<u><u>\$ (134,423)</u></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 Balances -
Budget to Actual - General Fund and Major Special Revenue Funds
For the year ended June 30, 2019

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 5,382,000	\$ 5,382,000	\$ 5,725,221	\$ 343,221
Licenses and permits	651,700	651,700	705,016	53,316
Fines and forfeitures	7,000	7,000	16,543	9,543
Intergovernmental	774,000	774,000	774,387	387
Use of money and property	87,000	87,000	254,997	167,997
Charges for services	900,000	900,000	974,908	74,908
Other revenues	23,750	23,750	105,976	82,226
Total revenues	7,825,450	7,825,450	8,557,048	731,598
EXPENDITURES:				
Current:				
Town Council	41,538	41,538	58,497	(16,959)
Administration and Finance	1,318,039	1,318,039	1,345,306	(27,267)
Planning Department	1,092,087	1,092,087	1,035,391	56,696
Buildings and Grounds	238,573	238,573	121,570	117,003
Town-wide Overhead	421,000	421,000	347,532	73,468
Safety Services	2,399,802	2,399,802	2,420,165	(20,363)
Trails and Stables	102,678	102,678	85,260	17,418
Barkley Fields	53,860	163,860	167,657	(3,797)
Library Services	-	-	-	-
Public Works	1,596,575	1,596,575	1,549,657	46,918
Recreation and Open Space	117,000	117,000	76,076	40,924
Capital outlay	-	-	-	-
Total expenditures	7,381,152	7,491,152	7,207,111	284,041
REVENUES OVER (UNDER) EXPENDITURES	444,298	334,298	1,349,937	1,015,639
OTHER FINANCING SOURCES (USES):				
Transfers in	398,900	398,900	398,900	-
Transfers out	(1,600,000)	(1,710,000)	(1,129,564)	580,436
Total other financing sources (uses)	(1,201,100)	(1,311,100)	(730,664)	580,436
Net change in fund balances	(756,802)	(976,802)	619,273	1,596,075
FUND BALANCES:				
Beginning of year	8,596,437	8,596,437	8,596,437	-
End of year	\$ 7,839,635	\$ 7,619,635	\$ 9,215,710	\$ 1,596,075

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

Library Operations				Measure A			
Budgeted Amounts		Actual	Variance w/Final	Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)	Original	Final		Positive (Negative)
\$ 140,015	\$ 140,015	\$ 170,000	\$ 29,985	\$ 325,000	325,000	\$ 338,556	\$ 13,556
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	193	193	6,600	6,600	8,601	2,001
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
140,015	140,015	170,193	30,178	331,600	331,600	347,157	15,557
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
94,140	94,140	88,113	6,027	-	-	-	-
-	-	-	-	199,603	199,603	183,394	16,209
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
94,140	94,140	88,113	6,027	199,603	199,603	183,394	16,209
45,875	45,875	82,080	36,205	131,997	131,997	163,763	31,766
-	-	-	-	600,000	600,000	600,000	-
(37,000)	(37,000)	(37,000)	-	(1,012,500)	(1,142,500)	(1,108,440)	34,060
(37,000)	(37,000)	(37,000)	-	(412,500)	(542,500)	(508,440)	34,060
8,875	8,875	45,080	36,205	(280,503)	(410,503)	(344,677)	65,826
(31,587)	(31,587)	(31,587)	-	784,190	784,190	784,190	-
\$ (22,712)	\$ (22,712)	\$ 13,493	\$ 36,205	\$ 503,687	\$ 373,687	\$ 439,513	\$ 65,826

Town of Woodside, California
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund and Major Special Revenue Funds, Continued
For the year ended June 30, 2019

	Capital Projects			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Intergovernmental	\$ 416,000	\$ 416,000	\$ 69,782	\$ (346,218)
Charges for services	-	-	-	-
Total revenues	416,000	416,000	69,782	(346,218)
EXPENDITURES:				
Current:				
Public Works	2,233,500	2,233,500	1,615,771	617,729
Capital outlay	-	-	117,852	(117,852)
Total expenditures	2,233,500	2,233,500	1,733,623	499,877
REVENUES OVER (UNDER)				
EXPENDITURES	(1,817,500)	(1,817,500)	(1,663,841)	153,659
OTHER FINANCING SOURCES (USES):				
Transfers in	1,817,500	1,817,500	1,476,204	(341,296)
Total other financing sources (uses)	1,817,500	1,817,500	1,476,204	(341,296)
Net change in fund balances	-	-	(187,637)	(187,637)
FUND BALANCES:				
Beginning of year	(15,672)	(15,672)	(15,672)	-
End of year	<u>\$ (15,672)</u>	<u>\$ (15,672)</u>	<u>\$ (203,309)</u>	<u>\$ (187,637)</u>

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

PROPRIETARY FUNDS

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

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

Fund	Description
MAJOR FUNDS:	
Sewer Capital Improvement	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, 2019

	<u>Sewer Capital Improvement</u>	<u>Sewer Utility</u>	<u>Cañada Corridor Sewer</u>
ASSETS			
Current assets:			
Cash and investments	\$ 252,093	\$ 237,968	\$ 80,583
Receivables:			
Accounts	-	210	-
Interest	1,601	2,328	491
Total current assets	<u>253,694</u>	<u>240,506</u>	<u>81,074</u>
Noncurrent assets:			
Capital assets, net	-	1,234,926	240,150
Total assets	<u>253,694</u>	<u>1,475,432</u>	<u>\$ 321,224</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	10,713	18,173	-
Total assets and deferred outflows of resources	<u>264,407</u>	<u>1,493,605</u>	<u>321,224</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 13,840	\$ -
Total current liabilities	<u>-</u>	<u>13,840</u>	<u>-</u>
Noncurrent liabilities:			
Advance from other funds	-	611,734	-
Net pension liability	27,021	60,772	-
Note payable	-	47,200	-
Total liabilities	<u>27,021</u>	<u>733,546</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	8,921	3,508	-
Total deferred inflows of resources	<u>8,921</u>	<u>3,508</u>	<u>-</u>
Net Position:			
Net investment in capital assets	-	1,234,926	240,150
Restricted for capital projects	-	-	-
Unrestricted	228,465	(478,375)	81,074
Total Net Position	<u>228,465</u>	<u>756,551</u>	<u>321,224</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 264,407</u>	<u>\$ 1,493,605</u>	<u>\$ 321,224</u>

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

Totals

\$ 570,644

210

4,420

575,274

1,475,076

\$ 2,050,350

28,886

2,079,236

\$ 13,840

13,840

611,734

87,793

47,200

760,567

12,429

12,429

1,475,076

-

(168,836)

1,306,240

\$ 2,079,236

Town of Woodside, California
Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the year ended June 30, 2019

	Sewer Capital Improvement	Sewer Utility	Cañada Corridor Sewer
OPERATING REVENUES:			
Charges for services	\$ -	\$ 497,073	\$ 35,143
Other	-	64,014	-
Total operating revenues	-	561,087	35,143
OPERATING EXPENSES:			
Salaries and benefits	-	33,819	-
Professional services	-	185,980	-
Materials and supplies	-	6,658	13,334
Depreciation	-	43,059	16,010
Total operating expenses	-	269,516	29,344
OPERATING INCOME(LOSS)	-	291,571	5,799
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	5,762	3,644	1,572
Interest expense		(18,506)	
Total non-operating revenues, net	5,762	(14,862)	1,572
NET INCOME BEFORE TRANSFERS	5,762	276,709	7,371
Transfers in	-	-	-
Transfers out	-	(36,000)	(2,900)
Total transfers	-	(36,000)	(2,900)
CHANGE IN NET POSITION	5,762	240,709	4,471
RESIDUAL EQUITY TRANSFERS OUT		-	-
NET POSITION:			
Beginning of year	222,703	515,842	316,753
End of year	<u>\$ 228,465</u>	<u>\$ 756,551</u>	<u>\$ 321,224</u>

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

Totals

\$ 532,216
64,014

596,230

33,819
185,980
19,992
59,069

298,860

297,370

10,978

(18,506)

(7,528)

289,842

-

(38,900)

(38,900)

250,942

1,055,298

\$ 1,306,240

Town of Woodside, California
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2019

	Sewer Capital Improvement	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received (refunds paid) from (to) customers/users for services provided	\$ -	\$ 561,013
Cash payments to suppliers for goods and services	-	(198,288)
Cash payments to employees for services	-	(31,208)
Net cash provided by operating activities	-	331,517
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Loan received (paid)	-	(5,900)
Advance received (paid)	-	(82,641)
Transfers received (paid)	-	(36,000)
Net cash used by noncapital financing activities	-	(124,541)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	-	(12,403)
Net cash (used) by capital and related financing activities	-	(12,403)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest paid	-	(18,506)
Investment income received	5,392	2,088
Net cash provided by investing activities	5,392	(16,418)
Net increase (decrease) in cash and cash equivalents	5,392	178,155
CASH AND CASH EQUIVALENTS:		
Beginning of year	246,701	59,813
End of year	<u>\$ 252,093</u>	<u>\$ 237,968</u>

Reconciliation of income from operations to net cash provided by operating activities:

Operating income (loss)	\$ -	\$ 291,571
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	43,059
Pension expense	-	2,611
(Increase) decrease in current assets:		
Accounts receivable	-	(74)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	-	(5,650)
Net cash provided by operating activities	\$ -	\$ 331,517

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2019.

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

Cañada Corridor Sewer	Totals
\$ 34,928	\$ 595,941
(13,334)	(211,622)
-	(31,208)
21,594	353,111
-	(5,900)
-	(82,641)
(2,900)	(38,900)
(2,900)	(127,441)
-	(12,403)
-	(12,403)
-	(18,506)
1,572	9,052
1,572	(9,454)
20,266	203,813
60,317	366,831
\$ 80,583	\$ 570,644
\$ 5,799	\$ 297,370
16,010	59,069
-	2,611
(215)	(289)
-	(5,650)
\$ 21,594	\$ 353,111

This page intentionally left blank.

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, 2019

	ASSETS	<u>Totals</u>
Cash and investments		\$ 447,781
Receivables:		
Interest		3,084
Special assessments		<u>210,000</u>
Total assets		<u><u>\$ 660,865</u></u>
	LIABILITIES	
Due to others		<u>\$ 660,865</u>
Total liabilities		<u><u>\$ 660,865</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2019

Index to Notes to Basic Financial Statements

	<u>Page</u>
Note 1 – Summary of Significant Accounting Policies	57
Financial Reporting Entity.....	57
Basis of Presentation.....	58
Measurement Focus	60
Basis of Accounting.....	60
Assets, Liabilities, and Equity	61
Revenues, Expenditures, and Expenses.....	65
Budgetary Accounting.....	66
Note 2 – Cash and Investments	68
Note 3 – Accounts Receivable	70
Note 4 – Capital Assets	70
Note 5 – Accounts Payable and Accrued Liabilities	72
Note 6 – Long-term Liabilities	72
Note 7 – Net Position/ Fund Balances	73
Note 8 – Interfund Transactions	75
Note 9 – Risk Management	75
Note 10 – Public Employee Retirement System	76
Note 11 – Other Post-Employment Benefits	82
Note 12 – Commitments and Contingencies	86
Note 13 – Joint Powers Agreement	86
Note 14 – New Accounting Pronouncements	87

This page intentionally left blank.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Financial Reporting Entity

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

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

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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.

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting, Continued

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.

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 and improvements	20 – 50 years
Sewer Lines	30 years
Machinery and equipment	5 - 20 years
Computer Software	5 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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 funds. 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.

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).

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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:

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Equity Classification, *continued*

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).

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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, 2019. 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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Fiscal Year End	June 30, 2019

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

2. CASH AND INVESTMENTS

At June 30, 2019, the Town’s pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	<u>Not rated</u>	<u>Fair Market Value</u>
<u>Cash equivalents and investments pooled</u>		
Pooled cash, at fair value		
Cash in bank	482,655	\$ 482,655
Petty cash	600	600
Total pooled items	<u>483,255</u>	<u>483,255</u>
Pooled investments, at fair value		
<u>Interest obligations</u>		
State of California Local Agency Investment Fund	10,879,125	10,897,748
Total pooled investments - interest obligations	<u>10,879,125</u>	<u>10,897,748</u>
Total cash equivalents and investments pooled	<u>\$ 11,362,380</u>	<u>\$ 11,381,003</u>
Amounts reported in:		
Governmental activities		\$ 10,362,578
Business-type activities		570,644
Fiduciary activities - Agency Funds		<u>447,781</u>
Total		<u>\$ 11,381,003</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Average Annual Yield</u>
Local Agency Investment Fund	<u>10,897,748</u>	0.84	2.266%
Total fair value	<u>\$ 10,897,748</u>		

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

	<u>Interest Rate</u>	<u>Interest Earned</u>	<u>FYTD</u>
First Quarter (7/1 - 9/30)	2.16%	\$ 54,023	\$ 54,023
Second Quarter (10/1 - 12/31)	2.40%	54,789	108,812
Third Quarter (1/1 - 3/31)	2.55%	65,401	174,213
Fourth Quarter (4/1 - 6/30)	2.57%	69,205	243,418

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

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) which has invested 1.77% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk such as changes in interest rates.

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, 2019, the carrying amount of the Town’s deposits was \$482,655 and the balances in financial institutions were \$639,036. 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.

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, 2019, the total fair value amount invested by all public agencies in LAIF is \$105,739,564,676.14 of which the Town’s fair value amount is \$10,897,748. Of the total invested, 1.77% was invested in Structured Notes and Medium-term Asset-Backed securities. 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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2019:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts	\$ 60,725	\$ 210	\$ -	\$ 60,935
Interest	66,500	4,420	3,084	74,004
Intergovernmental	41,328	-	-	41,328
Taxes	144,135	-	210,000	354,135
Other	1,189	-	-	1,189
Total accounts receivable	<u>\$ 313,877</u>	<u>\$ 4,630</u>	<u>\$ 213,084</u>	<u>\$ 531,591</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	74.5%
Individuals / Businesses	11.7%
Financial	13.8%

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

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions/ Adjustments	Balance June 30, 2019
Governmental activities:				
Nondepreciable assets:				
Land	\$ 9,468,373	\$ -	\$ -	\$ 9,468,373
Total nondepreciable assets	<u>9,468,373</u>	<u>-</u>	<u>-</u>	<u>9,468,373</u>
Depreciable assets:				
Buildings and improvements	9,731,436	117,852	-	9,849,288
Machinery & equipment	940,687	7,866	(45,680)	902,873
Total depreciable assets	<u>10,672,123</u>	<u>125,718</u>	<u>(45,680)</u>	<u>10,752,161</u>
Total	<u>20,140,496</u>	<u>125,718</u>	<u>(45,680)</u>	<u>20,220,534</u>
Accumulated depreciation:				
Buildings and improvements	(2,361,337)	(197,259)	(386)	(2,558,982)
Machinery & equipment	(768,111)	(45,579)	45,000	(768,690)
Total accumulated depreciation	<u>(3,129,448)</u>	<u>(242,838)</u>	<u>44,614</u>	<u>(3,327,672)</u>
Net depreciable assets	<u>7,542,675</u>	<u>(117,120)</u>	<u>(1,066)</u>	<u>7,424,489</u>
Total net capital assets	<u>\$ 17,011,048</u>	<u>\$ (117,120)</u>	<u>\$ (1,066)</u>	<u>\$ 16,892,862</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

4. CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions/ Adjustment	Balance June 30, 2019
<u>Business-type activities</u>				
Depreciable assets:				
Buildings and improvements	\$ 141,706	\$ -	\$ -	\$ 141,706
Pumps and collections system	4,018,264	12,403	-	4,030,667
Total depreciable assets	4,159,970	12,403	-	4,172,373
Accumulated depreciation:				
Buildings and improvements	(141,706)	-	-	(141,706)
Pumps and collections system	(2,496,532)	(59,069)	10	(2,555,591)
Total accumulated depreciation	(2,638,238)	(59,069)	10	(2,697,297)
Total net capital assets	\$ 1,521,732	\$ (46,666)	\$ 10	\$ 1,475,076

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

Governmental Activities	
Administration and Finance	\$ -
Planning Department	2,195
Buildings and Grounds	53,471
Town-wide Overhead	35,770
Safety Services	682
Barkley Fields	85,149
Library Services	58,639
Public Works	6,932
Total	<u>\$ 242,838</u>
Business-Type Activities	
Town center pump sewer	\$ 43,059
Canada Corridor sewer	16,010
Total	<u>\$ 59,069</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2019:

	Governmental Activities	Business-type Activities	Total
Accounts payable and accrued liabilities	\$ 469,424	\$ 13,840	\$ 483,264
Deposits payable	573,112	-	573,112
Total	<u>\$ 1,042,536</u>	<u>\$ 13,840</u>	<u>\$ 1,056,376</u>

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

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2019:

	Balance July 1, 2018	Net Change	Balance June 30, 2019	Due Within One Year
Compensated Absences	\$ 268,016	\$ (15,076)	\$ 252,940	\$ 25,294
Net OPEB Obligation	1,019,088	(34,720)	984,368	-
Net Pension Liability	3,552,907	(84,758)	3,468,149	-
Total noncurrent liabilities	<u>\$ 4,840,011</u>	<u>\$ (134,554)</u>	<u>\$ 4,705,457</u>	<u>\$ 25,294</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, 2019, the Town had a Net OPEB Obligation of \$984,368. 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, 2019

7. NET POSITION/ FUND BALANCES

Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net investment in capital assets	\$ 16,892,862	\$ 1,475,076
Restricted	1,233,252	-
Unrestricted	5,083,030	(168,836)
Total	<u>\$ 23,209,144</u>	<u>\$ 1,306,240</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, 2019:

Nonspendable:	
Major Funds	
General Fund	\$ 611,734
Total Nonspendable:	<u>611,734</u>
Restricted:	
Major Funds:	
Library Operations	\$ 13,493
Measure A	439,513
Total Major Funds- Restricted	<u>453,006</u>
Nonmajor Funds:	
Traffic Safety	47,275
Road Impact Fees	574,153
Gas Tax	55,958
Supplemental Law Enforcement Service	100,126
California Law Enforcement Equipment Program	2,734
Total Nonmajor Funds- Restricted	<u>780,246</u>
Total Restricted	<u>\$ 1,233,252</u>
Unassigned (deficit):	
Major Funds:	
General Fund	8,603,976
Capital Projects	(203,309)
Total Major Funds- Unassigned	<u>8,400,667</u>
Total Fund Balance	<u>\$ 10,245,653</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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.

Deficit fund balances consisted of the following at June 30, 2019:

Nonmajor Special Revenue Funds:

Capital Projects - (\$203,309) – 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, 2019

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, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 398,900	\$ 1,129,564
Library Operations	-	37,000
Measure A	600,000	1,108,440
Capital Projects	1,476,204	-
Total Major Funds	<u>2,475,104</u>	<u>2,275,004</u>
Non-major Funds:		
Special Revenue Funds:		
Road Impact Fees	-	85,000
Gas Tax	-	76,200
Total Non-major Special Revenue Funds	<u>-</u>	<u>161,200</u>
Total Non-major Funds	<u>-</u>	<u>161,200</u>
Total Governmental Activities	<u>2,475,104</u>	<u>2,436,204</u>
<u>Business-type Activities</u>		
Sewer Utility	-	36,000
Canada Corridor Sewer	-	2,900
Total Business-type Activities	<u>-</u>	<u>38,900</u>
Total Transfers	<u>\$ 2,475,104</u>	<u>\$ 2,475,104</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, 2019

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, 2019, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA Miscellaneous</u>
	Prior to	After
	January 1, 2013	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 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.0 - 2.0%
Required employee contribution rates	8.0%	6.25%
Required employer contribution rates	10.609%	6.842%

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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 CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 404,929

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

As of June 30, 2019, 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	<u>\$ 3,555,942</u>
Total Net Pension Liability	<u><u>\$ 3,555,942</u></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, 2017, 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, 2017 rolled forward to June 30, 2018 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2018 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.09238%
Proportion - June 30, 2019	<u>0.09435%</u>
Change - Increase (Decrease)	0.00197%

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2019, the Town recognized pension expense of \$678,468. At June 30, 2019, 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
Changes of Assumptions	\$ 405,388	\$ 99,353
Differences between Expected and Actual Experience	136,435	46,428
Differences between Projected and Actual Investment Earnings	17,580	-
Differences between Employer's Contributions and Proportionate Share of Contributions	8,647	13,849
Change in Employer's Proportion	55,427	62,081
Pension Contributions Made Subsequent to Measurement Date	404,929	-
	<u>\$ 1,028,406</u>	<u>\$ 221,711</u>

\$404,929 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	
2020	\$ 354,897
2021	200,842
2022	(121,990)
2023	(31,984)
2024	-
Thereafter	-
	<u>\$ 401,765</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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, 2017, actuarial accounting valuation to June 30, 2018. The June 30, 2018, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Poser applies, 2.75% thereafter.

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 CalPERS Experience Study and Review of Actuarial Assumptions report (based on CalPERS demographic data from 1997 to 2011) available online on CalPERS website.

Other significant actuarial assumptions used in the June 30, 2018, valuations were based on the results of the actuarial experience study for the period from 1997 to 2011.

Change in Assumptions - In Fiscal Year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes in assumptions presented in the Schedule of Collective Pension Amounts represent the unamortized portion of this assumption change.

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations 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 expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed asset allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.0% used for this period.

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

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:

	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Net Pension Liability - Miscellaneous	5,422,237	3,555,942	2,015,346

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan - At June 30, 2019, the Town reported a payable of \$2,238 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS

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 participates 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. CERBT, an agent multiple-employer trust, issues a publicly available financial report including GASB Statement No. 43, Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans, disclosure information in aggregate with the other CERBT participating employers. That report can be obtained from the CalPERS Web site at www.calpers.ca.gov.

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 currently prefunds plan benefits through the CERBT by contributing at least 100% of the Annual Determined Contribution (ADC). For FY 2018, the Town contributed \$155,592 to the Plan, including \$73,408, for current benefit payments, an estimated implied subsidy of \$30,146 and \$52,038 to prefund Plan benefits.

Employees Covered by benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees Receiving Benefits	10
Inactive Employees Entitled to But Not Receiving Benefits	0
Participating Active Employees	20
Total Number of participants	30

Net OPEB Liability

The Town’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS, *continued*

Actuarial Assumptions:	
Discount Rate	7.28%
Inflation	2.26%
Salary Increases	3.25% per annum
Investment Rate of Return	7.28%
Mortality Rate ⁽¹⁾	Derived using CalPERS' Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	7.85% in 2019 decreasing to 5.00% in 2031 and later

⁽¹⁾ Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

⁽²⁾ The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined 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	<u>CERBT Strategy 1</u>	<u>Rate of Return</u>
Equity	60%	5.49%
Fixed Income	32%	1.65%
REITs	8%	5.06%
Cash	0%	0.00%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.28 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, 2019

11. OTHER POST EMPLOYMENT BENEFITS, *continued*

Changes in the OPEB Liability

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

	Total OPEB Liability	Fiduciary Net Position*	Net OPEB Liability
Balance at 6/30/2018	\$ 1,716,046	\$ 696,958	\$ 1,019,088
Changes for the year			
Service Cost	51,592	-	51,592
Interest	124,981	-	124,981
Differences between expected and actual	(1,334)	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	155,592	-
Contributions - employee	-	-	-
Net investment income	-	54,742	(54,742)
Benefit payments	(103,554)	(103,554)	-
Benefit payments	-	(375)	375
Other	-	-	-
Net Changes	71,685	106,405	(34,720)
Balance at 6/30/2019	\$ 1,787,731	\$ 803,363	\$ 984,368

* CERBT balances at the beginning and end of the fiscal year.

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

The discount rate used for the fiscal year end 2018 is 7.28%. 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, 2018:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	6.28%	7.28%	8.28%
Net OPEB Liability	\$ 1,206,431	\$ 984,368	\$ 800,917

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, 2018:

	1% Decrease	Current Trend	1% Increase
Change in Healthcare Cost Trend Rate			
Net OPEB Liability	\$ 786,896	\$ 984,368	\$ 1,224,625

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS, 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	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2018)

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

For the fiscal year ended June 30, 2019, the Town recognized OPEB expense of \$97,653. As of fiscal year ended June 30, 2019, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,145	\$ 1,187
Changes in assumptions	-	255,925
Net difference between projected and actual earnings on plan investments	-	10,869
Employer contributions made subsequent to the measurement date	161,684	-
Total	<u>\$ 253,829</u>	<u>\$ 267,981</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS, Continued

The \$161,684 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 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:

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2020	\$ (26,708)
2021	(26,708)
2022	(26,706)
2023	(23,659)
2024	(23,228)
Thereafter	(48,827)

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 council 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.

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

14. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 83, "*Certain Asset Retirement Obligations.*" The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This statement had no effect on these financial statements.

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, 2020.

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, 2021.

The GASB has issued Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*" The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement had no effect on these financial statements.

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, 2021.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

14. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

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, 2020.

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, 2022.

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,

	2018	2017
Total OPEB Liability		
Service Cost	\$ 51,592	\$ 83,302
Interest on the total OPEB liability	124,981	133,804
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,334)	118,115
Changes of assumptions	-	(328,057)
Benefit payments, including refunds of employee contributions	(103,554)	(89,997)
Net change in total OPEB liability	71,685	(82,833)
Total OPEB liability - beginning (a)	1,716,046	1,798,879
Total OPEB liability - ending (b)	\$ 1,787,731	\$ 1,716,046
Plan Fiduciary Net Position		
Contributions - employer	\$ 155,592	\$ 204,065
Contributions - employee	-	-
Net investment income	54,742	57,576
Benefit payments, including refunds of employee contributions	(103,554)	(89,997)
Administrative expense	(375)	(292)
Net change in plan fiduciary net position	106,405	171,352
Plan fiduciary net position - beginning (c)	696,958	525,606
Plan fiduciary net position - ending (d)	\$ 803,363	\$ 696,958
Net OPEB Liability - beginning (a) - (c)	\$ 1,019,088	\$ 1,273,273
Net OPEB liability - ending (a) - (b)	\$ 984,368	\$ 1,019,088
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	45%	41%
Covered-employee payroll	2,199,508	N/A
Net OPEB liability as a percentage of covered-employee payroll	N/A	N/A

Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since 2018 was the initial year of implementation, only two years are currently available.

Town of Woodside, California

Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2019

	2019	2018
Actuarially Determined Contribution (ADC)	\$ 127,487	\$ 169,882
Covered-Employee payroll	\$ 2,199,508	N/A
Contributions as a percentage of covered-employee payroll	7%	N/A
Contributions to the Trust	52,038.00	114,068.00
Pay-go Payments by Employer Unreimbursed by the Trust	73,408.00	89,997.00
Active Implicit Rate Subsidy Transferred by OPEB	30,146.00	-
Total OPEB Contributions	\$ 155,592	\$ 204,065

Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since 2018 was the initial year of implementation, only two years are currently available.

Town of Woodside, California

Required Supplementary Information - Schedule of Contributions

Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 404,929	\$ 390,376	\$ 323,181
Contributions in relation to the actuarially determined contributions	<u>(404,929)</u>	<u>(390,376)</u>	<u>(323,181)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,992,721	\$ 2,072,787	\$ 1,995,944
Contribution as a percentage of covered-employee payroll	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 and 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

Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.09435%	0.09238%	0.09109%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,555,942	\$ 3,641,516	\$ 3,164,365
Plan's Covered-Employee Payroll	\$ 1,992,721	\$ 2,072,787	\$ 1,995,944
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	178.45%	175.68%	158.54%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.23%	71.89%	72.29%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 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.

This page intentionally left blank.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This page intentionally left blank.

NON-MAJOR GOVERNMENTAL FUNDS

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

Town of Woodside, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
ASSETS			
Cash and investments	\$ 42,304	\$ 576,190	\$ 47,163
Receivables:			
Interest	521	3,829	532
Intergovernmental	5,547	-	9,667
Other receivable	1,189	-	-
Total assets	<u>\$ 49,561</u>	<u>\$ 580,019</u>	<u>\$ 57,362</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,286	\$ 5,866	1,404
Total liabilities	<u>2,286</u>	<u>5,866</u>	<u>1,404</u>
Fund Balances:			
Restricted	47,275	574,153	55,958
Total fund balances	<u>47,275</u>	<u>574,153</u>	<u>55,958</u>
Total liabilities and fund balances	<u>\$ 49,561</u>	<u>\$ 580,019</u>	<u>\$ 57,362</u>

Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	Total Non-Major Governmental Funds
\$ 99,667	\$ 2,718	\$ 768,042
459	16	5,357
-	-	15,214
-	-	1,189
<u>\$ 100,126</u>	<u>\$ 2,734</u>	<u>\$ 789,802</u>
\$ -	\$ -	\$ 9,556
-	-	9,556
100,126	2,734	780,246
<u>100,126</u>	<u>2,734</u>	<u>780,246</u>
<u>\$ 100,126</u>	<u>\$ 2,734</u>	<u>\$ 789,802</u>

Town of Woodside, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2019

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ 218,114
Fines and forfeitures	48,524	-	-
Intergovernmental	-	-	-
Use of money and property	629	14,200	1,269
Charges for services	-	281,808	-
Other revenues	5,868	-	-
Total revenues	<u>55,021</u>	<u>296,008</u>	<u>219,383</u>
EXPENDITURES:			
Current:			
Safety Services	-	-	-
Public Works	31,254	246,760	129,542
Capital outlay	-	-	-
Total expenditures	<u>31,254</u>	<u>246,760</u>	<u>129,542</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>23,767</u>	<u>49,248</u>	<u>89,841</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(85,000)	(76,200)
Total other financing sources (uses)	-	(85,000)	(76,200)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	23,767	(35,752)	13,641
FUND BALANCES:			
Beginning of year	23,508	609,905	42,317
End of year	<u>\$ 47,275</u>	<u>\$ 574,153</u>	<u>\$ 55,958</u>

Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	HSIP/TA Grant	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 218,114
-	-	-	48,524
148,747	-	-	148,747
2,785	118	-	19,001
-	-	-	281,808
-	-	-	5,868
<u>151,532</u>	<u>118</u>	<u>-</u>	<u>722,062</u>
130,000	-	-	130,000
-	-	-	407,556
-	7,866	-	7,866
<u>130,000</u>	<u>7,866</u>	<u>-</u>	<u>545,422</u>
<u>21,532</u>	<u>(7,748)</u>	<u>-</u>	<u>176,640</u>
-	-	-	-
-	-	-	<u>(161,200)</u>
-	-	-	(161,200)
21,532	(7,748)	-	15,440
78,594	10,482	-	764,806
<u>\$ 100,126</u>	<u>\$ 2,734</u>	<u>\$ -</u>	<u>\$ 780,246</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, 2019

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 48,524	\$ 33,524
Use of money and property	185	185	629	444
Other revenues	4,000	4,000	5,868	1,868
Total revenues	<u>19,185</u>	<u>19,185</u>	<u>55,021</u>	<u>35,836</u>
EXPENDITURES:				
Current:				
Public works	24,000	31,500	31,254	246
Total expenditures	<u>24,000</u>	<u>31,500</u>	<u>31,254</u>	<u>246</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,815)</u>	<u>(12,315)</u>	<u>23,767</u>	<u>36,082</u>
Net change in fund balances	<u>(4,815)</u>	<u>(12,315)</u>	<u>23,767</u>	<u>36,082</u>
FUND BALANCES:				
Beginning of year	23,508	23,508	23,508	-
End of year	<u>\$ 18,693</u>	<u>\$ 11,193</u>	<u>\$ 47,275</u>	<u>\$ 36,082</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, 2019

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 5,300	\$ 5,300	\$ 14,200	\$ 8,900
Charges for services	375,000	375,000	281,808	(93,192)
Total revenues	380,300	380,300	296,008	(84,292)
EXPENDITURES:				
Current:				
Public works	245,504	258,504	246,760	11,744
Total expenditures	245,504	258,504	246,760	11,744
REVENUES OVER (UNDER) EXPENDITURES	134,796	121,796	49,248	(72,548)
OTHER FINANCING SOURCES (USES):				
Transfers out	(85,000)	(85,000)	(85,000)	-
Total other financing sources (uses)	(85,000)	(85,000)	(85,000)	-
Net change in fund balances	49,796	36,796	(35,752)	(72,548)
FUND BALANCES:				
Beginning of year	609,905	609,905	609,905	-
End of year	\$ 659,701	\$ 646,701	\$ 574,153	\$ (72,548)

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, 2019

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 227,000	\$ 227,000	\$ 218,114	\$ (8,886)
Use of money and property	560	560	1,269	709
Total revenues	<u>227,560</u>	<u>227,560</u>	<u>219,383</u>	<u>(8,177)</u>
EXPENDITURES:				
Current:				
Public works	105,777	138,977	129,542	9,435
Total expenditures	<u>105,777</u>	<u>138,977</u>	<u>129,542</u>	<u>9,435</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>121,783</u>	<u>88,583</u>	<u>89,841</u>	<u>1,258</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(76,200)	(76,200)	(76,200)	-
Total other financing sources (uses)	<u>(76,200)</u>	<u>(76,200)</u>	<u>(76,200)</u>	<u>-</u>
Net change in fund balances	45,583	12,383	13,641	1,258
FUND BALANCES:				
Beginning of year	42,317	42,317	42,317	-
End of year	<u>\$ 87,900</u>	<u>\$ 54,700</u>	<u>\$ 55,958</u>	<u>\$ 1,258</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, 2019

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 148,747	\$ 48,747
Use of money and property	1,200	1,200	2,785	1,585
Total revenues	101,200	101,200	151,532	50,332
EXPENDITURES:				
Current:				
Safety services	130,000	130,000	130,000	-
Total expenditures	130,000	130,000	130,000	-
REVENUES OVER (UNDER)				
EXPENDITURES	(28,800)	(28,800)	21,532	50,332
Net change in fund balances	(28,800)	(28,800)	21,532	50,332
FUND BALANCES:				
Beginning of year	78,594	78,594	78,594	-
End of year	\$ 49,794	\$ 49,794	\$ 100,126	\$ 50,332

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, 2019

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 118	\$ 118
Other revenues				-
Total revenues	<u>-</u>	<u>-</u>	<u>118</u>	<u>118</u>
EXPENDITURES:				
Current:				
Safety services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>118</u>	<u>118</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>118</u>	<u>118</u>
FUND BALANCES:				
Beginning of year	<u>10,482</u>	<u>10,482</u>	<u>10,482</u>	<u>-</u>
End of year	<u>\$ 10,482</u>	<u>\$ 10,482</u>	<u>\$ 10,600</u>	<u>\$ 118</u>

AGENCY FUNDS

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

Fund	Description
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, 2019

	1999 Woodside Road/ Whiskey Hill Road Parking District	Trail Gifts and Donations Fund	Mathiesen House	Marva Oaks
ASSETS				
Cash and investments	\$ 109,593	\$ 55,177	\$ 536	\$ 21,661
Receivables:				
Interest	677	361	8	142
Special assessments	210,000	-	-	-
Total assets	\$ 320,270	\$ 55,538	\$ 544	\$ 21,803
LIABILITIES				
Due to others	\$ 320,270	\$ 55,538	\$ 544	\$ 21,803
Total liabilities	\$ 320,270	\$ 55,538	\$ 544	\$ 21,803

Town Hall Window Fund	Barkley Reserve Deposit Fund	Arts and Culture	Totals
\$ 6,282	\$ 243,700	\$ 10,832	\$ 447,781
41	1,791	64	3,084
-	-	-	210,000
<u>\$ 6,323</u>	<u>\$ 245,491</u>	<u>\$ 10,896</u>	<u>\$ 660,865</u>
<u>\$ 6,323</u>	<u>\$ 245,491</u>	<u>\$ 10,896</u>	<u>\$ 660,865</u>
<u>\$ 6,323</u>	<u>\$ 245,491</u>	<u>\$ 10,896</u>	<u>\$ 660,865</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<hr/> 1999 Woodside Road/Whiskey Hill Road Parking District <hr/>				
ASSETS				
Cash and investments	\$ 109,527	\$ 66	\$ -	\$ 109,593
Receivables:				
Interest	488	189	-	677
Special assessments	235,000	-	(25,000)	210,000
Total assets	<u>\$ 345,015</u>	<u>\$ 255</u>	<u>\$ (25,000)</u>	<u>\$ 320,270</u>
LIABILITIES				
Due to others	345,015	255	(25,000)	320,270
Total liabilities	<u>\$ 345,015</u>	<u>\$ 255</u>	<u>\$ (25,000)</u>	<u>\$ 320,270</u>
<hr/> Trails Gifts and Donations Funds <hr/>				
ASSETS				
Cash and investments	\$ 52,469	\$ 2,708	\$ -	\$ 55,177
Receivables:				
Interest	266	95	-	361
Total assets	<u>\$ 52,735</u>	<u>\$ 2,803</u>	<u>\$ -</u>	<u>\$ 55,538</u>
LIABILITIES				
Due to (from) others	\$ 52,735	\$ 2,803	\$ -	\$ 55,538
Total liabilities	<u>\$ 52,735</u>	<u>\$ 2,803</u>	<u>\$ -</u>	<u>\$ 55,538</u>
<hr/> Mathisen House <hr/>				
ASSETS				
Cash and investments	\$ 525	\$ 11	\$ -	\$ 536
Receivables:				
Interest	7	1	-	8
Total assets	<u>\$ 532</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 544</u>
LIABILITIES				
Due to (from) others	\$ 532	\$ 12	\$ -	\$ 544
Total liabilities	<u>\$ 532</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 544</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Marva Oaks				
ASSETS				
Cash and investments	\$ 21,201	\$ 460	\$ -	\$ 21,661
Receivables:				
Interest	107	35	-	142
Total assets	<u>\$ 21,308</u>	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 21,803</u>
LIABILITIES				
Due to (from) others	\$ 21,308	\$ 495	\$ -	\$ 21,803
Total liabilities	<u>\$ 21,308</u>	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 21,803</u>
Town Hall Window Fund				
ASSETS				
Cash and investments	\$ 6,148	\$ 134	\$ -	\$ 6,282
Receivables:				
Interest	31	10	-	41
Total assets	<u>\$ 6,179</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ 6,323</u>
LIABILITIES				
Due to (from) others	\$ 6,179	\$ 144	\$ -	\$ 6,323
Total liabilities	<u>\$ 6,179</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ 6,323</u>
Barkley Reserve Deposit Fund				
ASSETS				
Cash and investments	\$ 238,519	\$ 5,181	\$ -	\$ 243,700
Receivables:				
Interest	1,401	390	-	1,791
Total assets	<u>\$ 239,920</u>	<u>\$ 5,571</u>	<u>\$ -</u>	<u>\$ 245,491</u>
LIABILITIES				
Due to (from) others	\$ 239,920	\$ 5,571	\$ -	\$ 245,491
Total liabilities	<u>\$ 239,920</u>	<u>\$ 5,571</u>	<u>\$ -</u>	<u>\$ 245,491</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019 (Continued)
Arts and Culture				
ASSETS				
Cash and investments	\$ 9,329	\$ 1,503	\$ -	\$ 10,832
Receivables:				
Interest	42	22	-	64
Total assets	<u>\$ 9,371</u>	<u>\$ 1,525</u>	<u>\$ -</u>	<u>\$ 10,896</u>
LIABILITIES				
Due to (from) others	\$ 9,371	\$ 1,525	\$ -	\$ 10,896
Total liabilities	<u>\$ 9,371</u>	<u>\$ 1,525</u>	<u>\$ -</u>	<u>\$ 10,896</u>
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 437,718	\$ 10,063	\$ -	\$ 447,781
Receivables:				
Interest	2,342	742	-	3,084
Special assessments	235,000	-	(25,000)	210,000
Total assets	<u>\$ 675,060</u>	<u>\$ 10,805</u>	<u>\$ (25,000)</u>	<u>\$ 660,865</u>
LIABILITIES				
Due to (from) others	\$ 675,060	\$ 10,805	\$ (25,000)	\$ 660,865
Total liabilities	<u>\$ 675,060</u>	<u>\$ 10,805</u>	<u>\$ (25,000)</u>	<u>\$ 660,865</u>

(Concluded)

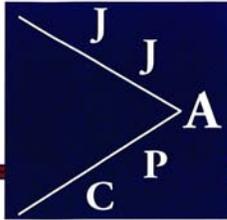
SUPPLEMENTARY SCHEDULES

Town of Woodside, California
Schedule of Land Assets

For the year ended June 30, 2019

<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
Total Land			<u><u>\$ 9,468,373</u></u>

* Values were derived from historical cost records



JJACPA, Inc.

A Professional Accounting Services Corp.

**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**

Independent Auditor's Report

To the Honorable Mayor and Town Council
of the Town of Woodside
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 financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the Town of Woodside, California (Town), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 19, 2019.

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 entity'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.

To the Honorable Mayor and Town Council
of the Town of Woodside
Woodside, California

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 or other matters that are required to be reported under *Government Auditing Standards*.

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

December 19, 2019

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA