

TOWN OF WOODSIDE, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2015

Prepared by:

Kevin Bryant

Town Manager

Cindy Safe

Administrative Services Manager

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Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

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Basic Financial Statements
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The Town of
Woodside

March 31, 2016

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, 2015. 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 issue 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
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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, 2015, 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, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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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 Mayor Pro Tempore 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 and the auditing firm of JJACPA, Inc. I would like to express my appreciation to Joseph Arch, CPA, Brett Jones, CPA, and Tika Koshiyama-Diaz 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,

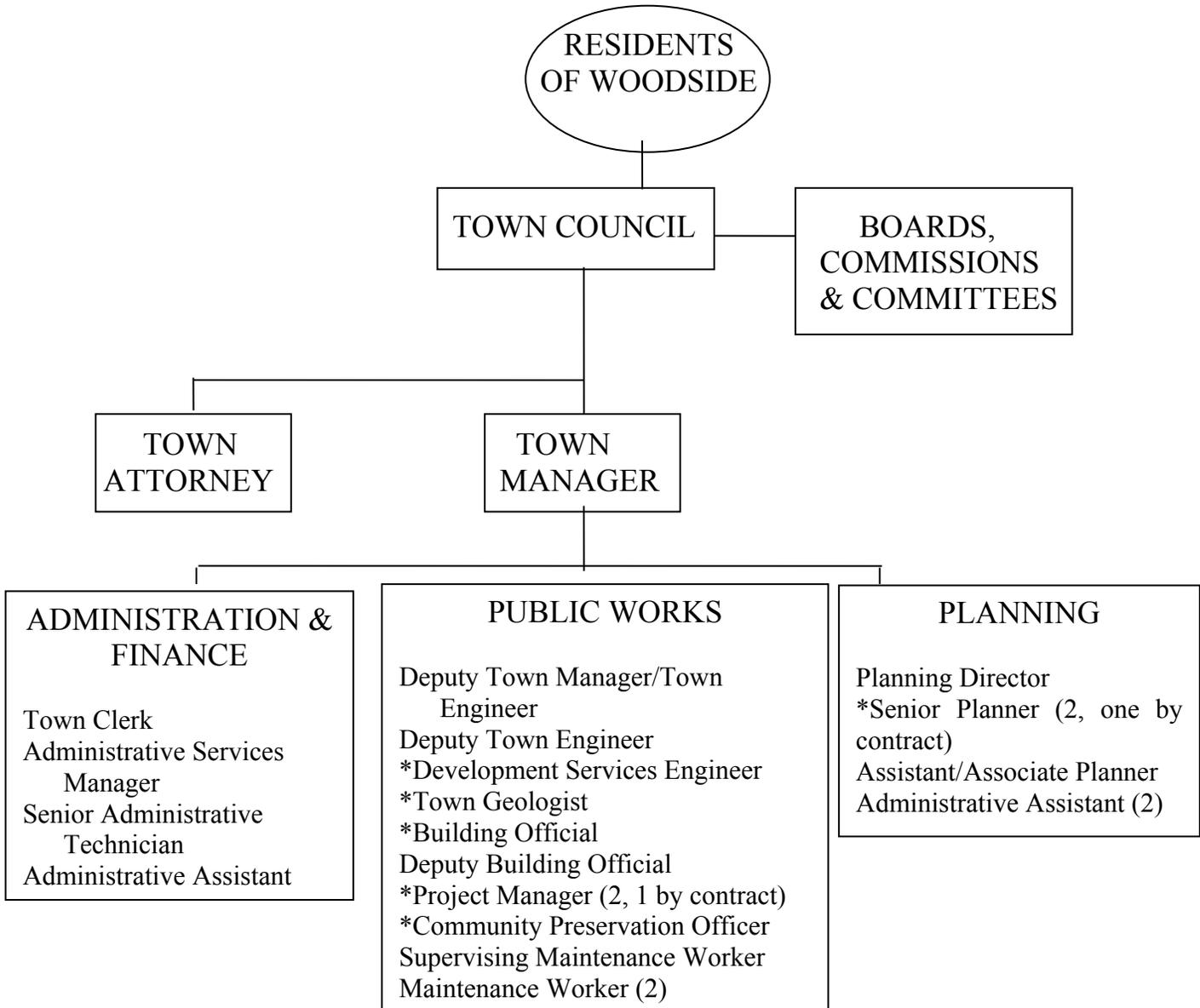


Kevin Bryant
Town Manager

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Organization Chart

TOWN OF WOODSIDE
ORGANIZATION CHART



* Position filled by contract services

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

List of Officials

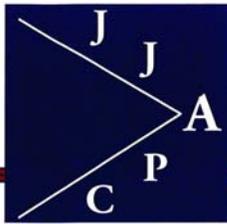
TOWN COUNCIL

- Thomas Shanahan, Mayor
- Deborah C. Gordon, Mayor Pro Tempore
- David Burow
- Anne Kasten
- Peter Mason
- Ron Romines
- David Tanner

TOWN OFFICIALS

- Kevin Bryant, Town Manager
- Paul Nagengast, Deputy Town Manager/ Town Engineer
- Janet Koelsch, CMC, Town Clerk
- Jackie Young, Planning Director

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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, 2015, 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, 2015, 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.

To the Honorable Mayor and Town Council
of the Town of Woodside
Woodside, California
Page 2

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 3–18, the Other Post-Employment Benefits Schedule of Funding Progress on page 84, the Town's Schedules of Contributions on pages 85-86, and the Schedules of the Town's proportionate Share of the Net Pension Liability on pages 87-88, 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 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.

Implementation of New Accounting Standards

As disclosed in the Note 1 to the financial statements, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year 2015.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016 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.

March 31, 2016

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

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, 2015. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2015, total assets of the Town exceeded its liabilities by \$23,068,288 (net position). The portion of net position that may be used to meet the government's ongoing obligations (unrestricted net position) is \$4,295,138. The portion of net position that is restricted and may only be used for specific purposes is \$3,151,134. The remaining \$15,622,016 is net investment in capital assets (page 6).
- ◆ As of June 30, 2015, the Town's Governmental Activities reported combined net position of \$22,150,014, of that, \$3,151,134 is restricted special revenue funds (page 6).
- ◆ As of June 30, 2015, the Town's governmental funds reported combined ending fund balances of \$9,474,829. Of that amount \$3,151,134 is restricted because it represents resources that are required to be spent for specific purposes as provided by an external source. The remaining fund balance of \$6,323,695 is unassigned and represents the General Fund and a deficit fund balance in the Supplemental Law Enforcement Service Non-Major Special Revenue Fund (pages 26 and 27).
- ◆ Capital assets, net of depreciation, decreased to \$15,622,016 (page 6) from \$15,908,004 in fiscal year (FY) 2014.

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.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

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.

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, 2015, the Town's major funds are as follows:

GOVERNMENTAL FUNDS:

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

PROPRIETARY FUND:

- ◆ Sewer Capital Improvement
- ◆ Sewer Utility
- ◆ Town Center Pump Sewer
- ◆ Cañada Corridor Sewer

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

Fund Financial Statements, Continued

FIDUCIARY FUNDS:

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

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

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

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

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.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

Fund Financial Statements, Continued

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 51-82 of this report. Required Supplementary Information follows the notes on pages 84-88.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 92-108 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, assets exceeded liabilities by \$23,068,288 at the close of the most recent fiscal year. Capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 68% 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

	2015			2014			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Current and other assets	\$ 10,328,396	\$ 464,590	\$ 10,792,986	\$ 9,429,355	\$ 479,934	\$ 9,909,289	\$ 883,697	8.9%
Noncurrent assets	15,093,199	528,817	15,622,016	15,288,304	619,700	15,908,004	(285,988)	-1.8%
Deferred outflows of resources	499,541	15,148	514,689	-	-	-	514,689	100.0%
Total assets and deferred outflows of resources	25,921,136	1,008,555	26,929,691	24,717,659	1,099,634	25,817,293	1,112,398	4.3%
Current and other liabilities	879,562	14,073	893,635	1,429,374	7,276	1,436,650	(543,015)	-37.8%
Long-term liabilities	2,371,143	60,426	2,431,569	384,427	-	384,427	2,047,142	532.5%
Deferred inflows of resources	520,417	15,782	536,199	-	-	-	-	100.0%
Total liabilities and deferred inflows of resources	3,771,122	90,281	3,861,403	1,813,801	7,276	1,821,077	1,504,127	82.6%
Net position:								
Net investment in capital assets	15,093,199	528,817	15,622,016	15,288,304	619,700	15,908,004	(285,988)	-1.8%
Restricted	3,151,134	-	3,151,134	3,253,590	-	3,253,590	(102,456)	-3.1%
Unrestricted	3,905,681	389,457	4,295,138	4,361,964	472,658	4,834,622	(539,484)	-11.2%
Total net position	\$ 22,150,014	\$ 918,274	\$ 23,068,288	\$ 22,903,858	\$ 1,092,358	\$ 23,996,216	\$ (927,928)	-3.9%

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The table is a summary of the Town's net position for this fiscal year compared to last fiscal year. The table shows the total capital assets for this year of \$15,622,016, total restricted funds of \$3,151,134, and the remaining amount which is in unrestricted funds of \$4,295,138, which will be used to meet the City's ongoing obligations to citizens and creditors funded through current revenues. The 532.5% increase in long term liabilities is due to the new GASB 68 requirement that pension liabilities now have to be in the annual financial statements (see Note 10).

Revenues

The Town's total revenues for governmental and business-type activities were \$9,507,683 for the fiscal year ended June 30, 2015. Approximately 91% of the Town's revenues are generated from five major sources, Charges for Services, Property Taxes and Assessments, Operating Grants and Contributions, Sales and use tax, and Franchises.

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

1. **Charges for Services** – Charges for services has gone down 8% from last year, mostly because the projects from the year before were of higher value than this year. Development related fees and permits are the biggest contributor to charges for services and even though they are a little lower, they continue to be within the range of the last four years of fees and permits collected. On March 28, 2011 there was an increase to all development fees and an archive fee was implemented. An additional 25% increase in planning fees went into effect May 25, 2013. FY 2015 has been the second full year of this additional increase in the fee schedule. There continues to be increased building and remodeling in Woodside due to an increase in the economy and sales of homes in Town.
2. **Property Taxes and Assessments** – The property taxes and assessments category for FY 2015 includes not only Property Tax – secured, unsecured, SB 813, prior years, but also the additional categories of Home Owner Property Tax Relief (HOPTR), Property Tax in-lieu, and Triple Flip. There has been a decrease of 18% or \$860,521 in this category from last year. The decrease in revenue is largely due to a one-time \$1,009,032.66 Tax Equity Allocation (TEA) payment from San Mateo County that was received in September 2013 (last fiscal year) and included payments of \$796,350 from fiscal year 2013 and \$212,683 from previous years. Overall secured property taxes are up from last year due to an increase in secured property tax value.
3. **Grants and Contributions – Operating** – The Grants and Contributions (Operating) category for FY 2015 decreased 5% from last fiscal year and included the sub-categories of the State Citizens' Option for Public Safety (COPS) program (grant remained the same as last year, but \$121,006 was collected last fiscal year and \$88,354 was collected this year leaving a decrease of \$32,652), Gas Tax (decrease of \$23,499 or 13%), and Measure A Sales tax, (increase of \$23,299 or 8%).

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues, Continued

4. **Sales and use tax** – Sales tax experienced a 53% or \$224,714 increase due to an increase in sales tax revenues from last fiscal year.
5. **Franchises** - Franchise revenues from the Town of Woodside are derived from franchise agreements with gas, electric, water, garbage, cable TV, and telecommunications. Revenues from this source have increased \$16,354 or 4% from last year. There was a similar increase last fiscal year.
6. **Other Revenue** – Other revenue usually includes one-time revenues from a variety of sources. This year the category is \$541,216 higher than last year because of a one-time payment of \$549,897 from PG&E rental and easement payment to improve pipeline infrastructure at Barkley Fields.

Expenses

Governmental and business-type activities expenses of the Town totaled \$8,036,887 for the year. Governmental activities expenses totaled \$7,656,012 or 95% of total expenses. Safety Services costs represented 22.85% (\$1,749,520) of total governmental activities expenses. Public works costs, including Road Rehabilitation project, represented the largest single expense for governmental activities, amounting to \$2,849,995 or 37% of total governmental expenses.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2015, and 2014, follows (pages 22 and 23):

	Changes in Net Position					
	2015			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,038,673	\$ 333,647	\$ 2,372,320	\$ 2,221,368	\$ 289,957	\$ 2,511,325
Grants and contributions:						
Operating	572,640	-	572,640	605,876	-	605,876
Capital	278,623	-	278,623	286,055	-	286,055
General revenues:						
Property taxes and assessments	3,998,193	-	3,998,193	4,858,714	-	4,858,714
Sales and use tax	652,398	-	652,398	427,684	-	427,684
Property transfer tax	235,680	-	235,680	211,700	-	211,700
Franchises	438,724	-	438,724	422,370	-	422,370
Business licenses	138,685	-	138,685	132,040	-	132,040
Fines and forfeitures	67,877	-	67,877	54,118	-	54,118
Use of money and property	25,077	1,578	26,655	17,303	1,842	19,145
Other general revenues	725,888	-	725,888	184,672	-	184,672
Total revenues	9,172,458	335,225	9,507,683	9,421,900	291,799	9,713,699
Expenses:						
Governmental activities:						
Town Council	37,792	-	37,792	32,006	-	32,006
Administration and Finance	932,744	-	932,744	1,305,384	-	1,305,384
Planning Department	940,023	-	940,023	776,400	-	776,400
Buildings and Grounds	139,938	-	139,938	129,584	-	129,584
Town-wide Overhead	366,535	-	366,535	433,098	-	433,098
Safety Services	1,749,520	-	1,749,520	1,643,530	-	1,643,530
Trails and Stables	74,290	-	74,290	48,114	-	48,114
Barkley Fields	236,402	-	236,402	239,803	-	239,803
Library Services	210,552	-	210,552	102,519	-	102,519
Public Works	2,849,995	-	2,849,995	2,501,636	-	2,501,636
Recreation and Open Space	118,221	-	118,221	133,339	-	133,339
Business-type activities:						
Sewer Capital Improvement	-	24,326	24,326	-	27,484	27,484
Sewer Utility	-	242,375	242,375	-	170,971	170,971
Town Center Pump Sewer	-	86,833	86,833	-	126,644	126,644
Cañada Corridor Sewer	-	27,341	27,341	-	29,762	29,762
Total expenses	7,656,012	380,875	8,036,887	7,345,413	354,861	7,700,274
Excess (Deficiency) of revenues over expenditures before transfers						
	1,516,446	(45,650)	1,470,796	2,076,487	(63,062)	2,013,425
Transfers	57,834	(57,834)	-	56,700	(56,700)	-
Change in net position	1,574,280	(103,484)	1,470,796	2,133,187	(119,762)	2,013,425
Net position:						
Beginning of year	22,903,858	1,092,358	23,996,216	20,770,671	1,212,120	21,982,791
Adjustments	(2,328,124)	(70,600)	(2,398,724)	-	-	-
Beginning, as adjusted	20,575,734	1,021,758	21,597,492	20,770,671	1,212,120	21,982,791
End of year	\$ 22,150,014	\$ 918,274	\$ 23,068,288	\$ 22,903,858	\$ 1,092,358	\$ 23,996,216

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities

The cost of all governmental activities this year was \$7,656,012. However, as shown in the Statement of Activities on page 22 and 23, the amount that taxpayers ultimately financed for governmental activities was \$4,766,076. Those who directly benefited from town programs paid \$2,038,673. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$572,640 for operations and \$278,623 for capital. The Town paid the remaining "public benefit" portion of government activities with \$3,998,193 in property taxes and \$2,259,252 in other general revenues.

Total resources available during the year to finance governmental operations were \$9,172,458 (page 9). This consisted of \$2,889,936 in program revenues and \$6,282,522 in general revenues. Total governmental activities operating expenses during the year were \$7,656,012 thus the unadjusted net position at July 1, 2014, of \$22,903,858 decreased by \$753,844 primarily as a result of a decrease in revenues, specifically a decrease in property taxes and assessments of \$860,521 because of the one-time TEA payment received last fiscal year. The net position of program revenues and expenses increased 12.6% or \$533,962 (see chart on page 11) largely due to an increase in Public Works expenses (\$348,359), Planning expenses (\$163,623), and Safety services contract (\$105,990) expenses and the above mentioned decrease of revenue.

In addition, because of a new Governmental Accounting Standards Board (GASB) Statement 68 the Town of Woodside is now required to disclose on the Town's financial statements the amount of unfunded pension liabilities as calculated by CalPERS actuaries (as of June 30, 2014) and adjusted by the Town auditors to the date of these financial statements of June 30, 2015 (see Note 10 to basic financial statements for more detailed information). This has resulted in an adjustment of \$2,328,124 to the beginning balance of \$22,903,858 to \$20,575,734. The adjusted difference in beginning balance and ending balance for fiscal year 2015 is \$1,574,280, mostly due to this adjustment.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

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, 2015, and 2014, are as follows:

Program Revenues and Expenses

	<u>Operating Revenue</u>		<u>Operating Expenses</u>		<u>Net (Expense) and Changes in Net Position</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental activities:						
Town Council	\$ -	\$ -	\$ 37,792	\$ 32,006	\$ (37,792)	\$ (32,006)
Administration and Finance	53,013	69,030	932,744	1,305,384	(879,731)	(1,236,354)
Planning Department	601,807	621,185	940,023	776,400	(338,216)	(155,215)
Buildings and Grounds	-	-	139,938	129,584	(139,938)	(129,584)
Town-wide Overhead	-	-	366,535	433,098	(366,535)	(433,098)
Safety Services	88,708	123,362	1,749,520	1,643,530	(1,660,812)	(1,520,168)
Trails and Stables	26,818	31,902	74,290	48,114	(47,472)	(16,212)
Barkley Fields	5,760	9,199	236,402	239,803	(230,642)	(230,604)
Library Services	-	-	210,552	102,519	(210,552)	(102,519)
Public Works	1,971,200	2,100,952	2,849,995	2,501,636	(878,795)	(400,684)
Recreation and Open Space	142,630	157,669	118,221	133,339	24,409	24,330
Total governmental activities	\$ 2,889,936	\$ 3,113,299	\$ 7,656,012	\$ 7,345,413	\$ (4,766,076)	\$ (4,232,114)

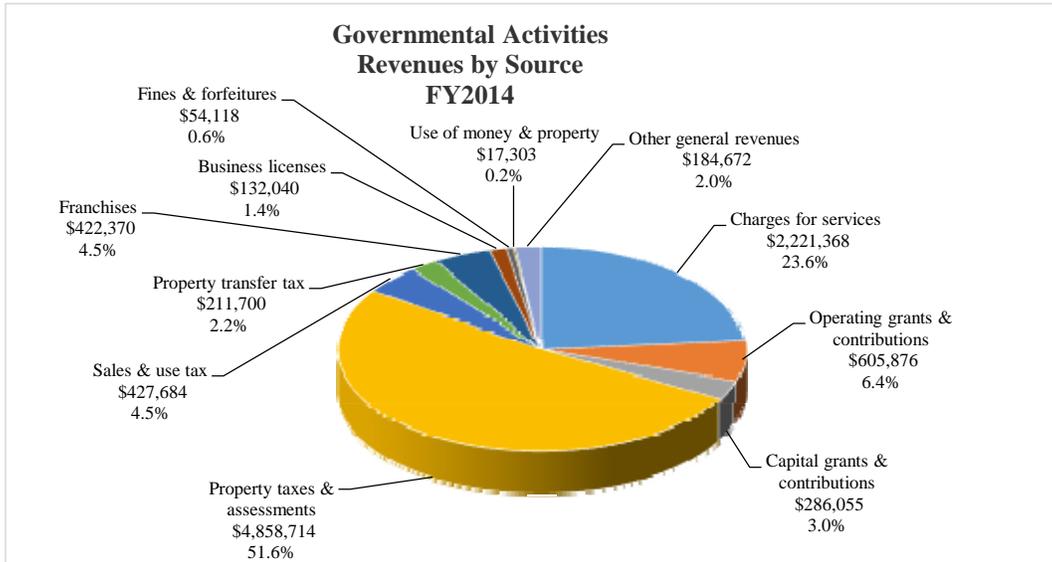
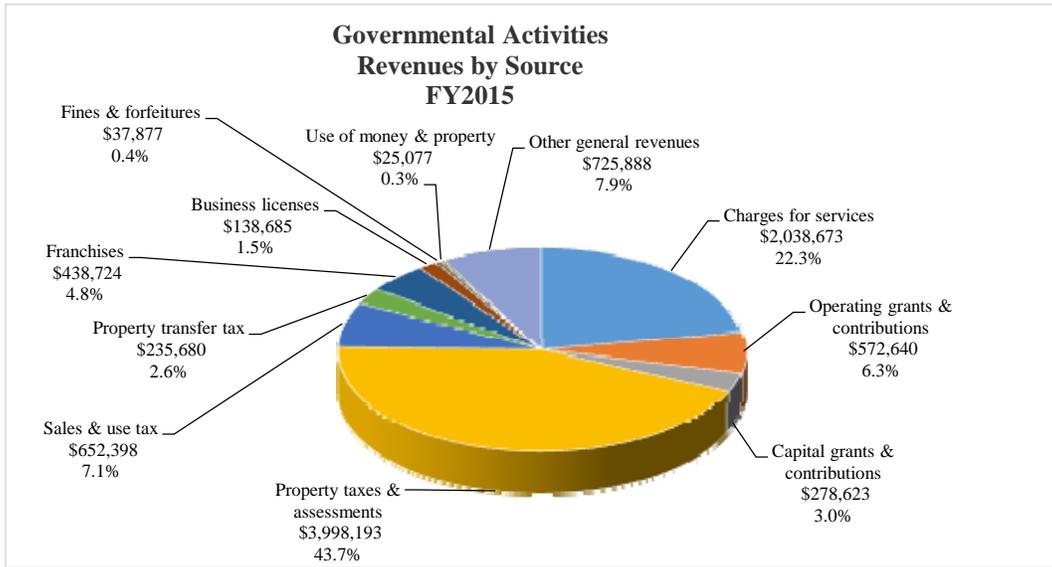
Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2015, and 2014, are as follows:



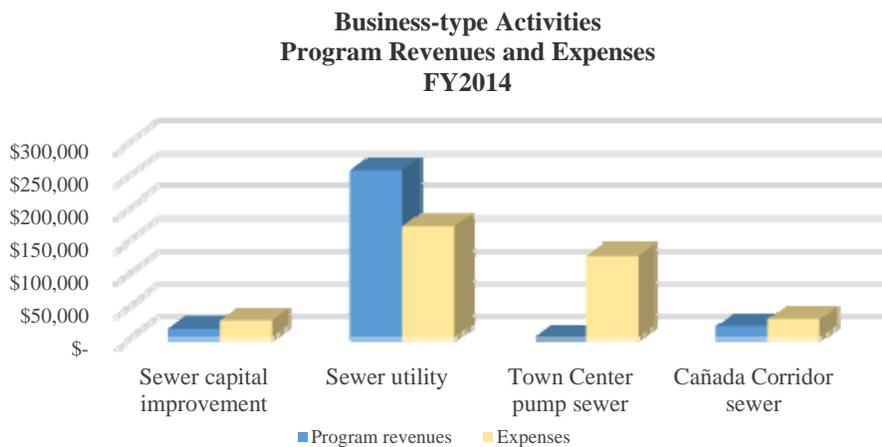
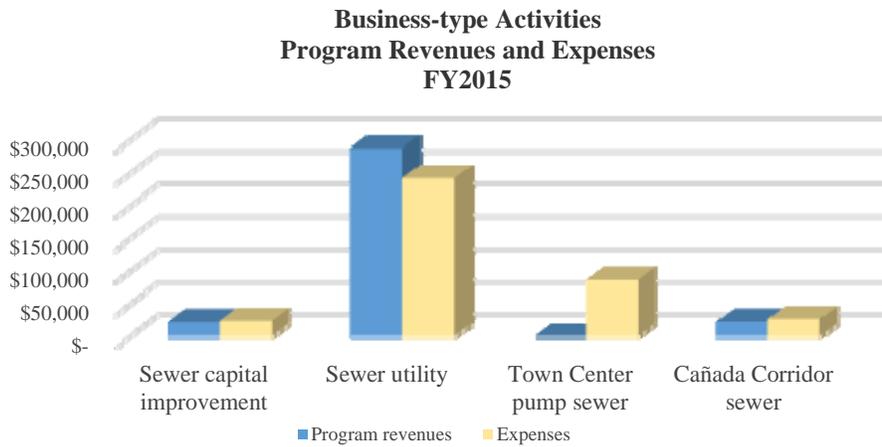
Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities

Business-type activities incurred \$380,875 in expenses during the fiscal year. The Town has four business-type funds, which are the Sewer Capital Improvement, Sewer Utility, Town Center Pump Sewer, and Cañada Corridor Sewer Funds. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2015, and 2014, are as follows:



Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

Business-type activities total revenue for FY 2015 is \$335,225. Expenses for this year exceeded revenue by \$45,650. These revenues are received from two sources, Charges for Services \$333,647 and Investment Earnings \$1,578. 99% of the funding received for Sewer business services is derived through charges for this service; the balance is investment earnings on cash. The earnings for the Sewer funds in FY 2014 were \$291,799 and expenses exceeded revenue by \$63,062.

As reported in the Statement of Activities, the net position of the Town’s Business-type Activities, as of June 30 2015, decreased \$103,484. The following table is a re-statement of the Statement of Business-type Activities outlining the components of this decrease.

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

	6/30/2015	6/30/2014	Change	% Change
Revenues:				
Charges for Services	\$ 333,647	\$ 289,957	\$ 43,690	15.1%
Use of money and property (interest)	1,578	1,842	(264)	-14.3%
Total	\$ 335,225	\$ 291,799	\$ 43,426	14.9%
Expenses:				
Sewer Capital Improvement	\$ 24,326	\$ 27,484	\$ (3,158)	-11.5%
Sewer Utility	242,375	170,971	71,404	-
Town Center Pump Sewer	86,833	126,644	(39,811)	-31.4%
Cañada Corridor Sewer	27,341	29,762	(2,421)	-8.1%
Total	\$ 380,875	\$ 354,861	\$ 26,014	7.3%
Excess (Deficiency) of revenues over expenditures before transfers	\$ (45,650)	\$ (63,062)	\$ 17,412	-27.6%
Transfers	(57,834)	(56,700)	(1,134)	2.0%
Change in Net Position	\$ (103,484)	\$ (119,762)	\$ 16,278	-13.6%

Expenses were a little higher (\$26,014) in FY 2015 due to a continuation of increasing contract sewer transmission and treatment expenses for Canada Corridor Sewer and the Town Center Pump Sewer. Charges for sewer services were up 14.9% or \$43,426, due to overall increase in residential and commercial sewer fees which began in fiscal year 2014. The Town is in the second year of a five year rate adjustment that will gradually increase over the next three years. This gradual increase in revenues is projected to equal sewer expenses in three years. Even though expenses were about the same as last year and there was an increase in revenues, there was still a net loss of \$103,484. The loss was reduced from FY 2014 by 13.6% or \$16,278.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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.

Governmental funds. The Town's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2015, the Town's governmental funds reported combined fund balances of \$9,474,829 (page 27). This is an increase of \$1,474,848 or 18% from last year. The increase results primarily from the Town's Local Agency Investment Fund (LAIF) increased balance. Measure A decreased a small amount \$7,844 or 1.6% and Library operations decreased \$231,102 or 10.5% from 2014. Liabilities decreased by \$587,305 mostly due to the decrease in Deposits payable of \$586,470 or 55%. Overall, expenditures were \$652,504 more, a 9% increase from FY 2014.

- ◆ The increase of **General Fund** Cash and Investments of \$1,134,483 is mostly due to an increase of \$1,022,761 to the Town's Local Agency Investment Fund (LAIF) in the Balance Sheet due to additional savings from an increase in previous years taxes paid all at once last fiscal year. There were also increases in the combination of other, charges for services, use of money and property, and Intergovernmental revenues (\$682,555) and decreases in the combination of taxes and assessments and licenses and permits revenue (\$706,650). The decrease in deposits payable of \$586,470 is due to an effort to return unused building and planning deposits to residents over the past two years.
- ◆ There is a decrease in the **Library Operations Fund** balance of \$190,364. The Library Fund supports the Town's share of the operation and maintenance of the library facility. The Town is a party to a Joint Powers Agreement (JPA) between cities within San Mateo County. Woodside is a 'donor City' which means the County deposits property tax revenue received in excess of the costs to the JPA to operate the library into a trust account. In FY 2012 the Town received the normal distribution of the excess property tax revenue from the County, but in FY 2013 the San Mateo Library JPA began holding the excess revenue and discontinued payments to the Town of Woodside which resulted in a decrease in the revenue and the cash balance of the Library Fund from last year. Woodside's separate library account balance with the JPA as of June 30, 2015 is \$1,466,137.
- ◆ 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 \$231,102 or 12%. The Town's road rehabilitation program for FY 2015 was greater than FY 2014, resulting in greater expenditures.

Proprietary funds. The Town's proprietary funds unrestricted net position decreased by \$83,201 in the fiscal year ended June 30, 2015. This decrease is due to increased transmission and treatment contractor expenses associated with Town sewer operations described on the previous page.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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, 2015, net capital assets of the governmental activities totaled \$15,093,199. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the Town’s Capital Assets net of depreciation:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -
Buildings and improvements	5,326,715	5,467,869	-	-
Machinery and equipment	298,111	352,062	-	-
Pumps and collection systems	-	-	528,817	619,700
Total	\$ 15,093,199	\$ 15,288,304	\$ 528,817	\$ 619,700

Additional information on the Town’s capital assets can be found in Note 4 on page 64 of this report.

Long Term Liabilities

Long term liabilities increased by \$2,073,138. The largest increase is due to the new GASB 68 requirement (effective June 30, 2015) that Town net pension liabilities be included in municipal financial statements. Net pension liabilities were not reported in previous years. The unfunded pension liability of \$2,053,056 is reported in total for this first fiscal year of reporting. Additional information can be found in Note 10 on page 71 of this report. Compensated absences due at year end went up a little by \$19,515 and there was a small decrease in the OPEB obligation of \$567. Additional information can be found in Note 11 on page 77.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

NEXT YEAR’S BUDGETED APPROPRIATIONS

The adopted budget for all Town funds (excluding Sewer and Parking District) for the new fiscal year of 2015-16 is \$16,116,843 and is summarized as follows:

	FY2015-16 (Budget)	FY14-15 (Actuals)	Amount Change	Percentage Change
General fund:				
Town Council	\$ 40,210	\$ 37,792	\$ 2,418	6.4%
Administration and Finance	1,186,029	1,187,935	(1,906)	(0.2)%
Planning Department	1,134,791	937,105	197,686	21.1%
Buildings and Grounds	185,876	127,438	58,438	45.9%
Town-wide Overhead	492,100	315,433	176,667	56.0%
Safety Services	1,737,925	1,648,167	89,758	5.4%
Trails and Stables	65,203	74,290	(9,087)	(12.2)%
Barkley Fields	186,770	151,253	35,517	23.5%
Public Works	2,179,744	1,508,987	670,757	44.5%
Recreation and Open Space	146,120	118,221	27,899	23.6%
Total general fund:	7,354,768	6,106,621	1,248,147	20.4%
Special revenue funds:				
Library Operations	3,122,245	203,634	2,918,611	1433.3%
Measure A (13-14 is budgeted amount)	955,652	653,834	301,818	46.2%
Traffic Safety	35,000	46,251	(11,251)	(24.3)%
Road Impact Fees	267,079	264,069	3,010	1.1%
Gas Tax	138,605	135,823	2,782	2.0%
Supplemental Law Enforcement	100,000	100,000	-	0.0%
HSIP/TA Grant	N/A	245,212	N/A	N/A
Total special revenue funds:	4,618,581	1,648,823	3,214,970	195.0%
Capital Outlay	4,143,500	N/A	N/A	N/A
Total Budget:	\$ 16,116,849	\$ 7,755,444	\$ 4,463,117	

1. General Fund – Increases in the General Fund budget include an increase in Capital Outlay, Planning Department support staff and contracts, the purchase of new accounting software, and additional maintenance and repair of Town Hall/Independence Hall.
2. Library Operations – Library fiscal year 2014-15 budget was to be used for capital improvement (a remodel of the library) that carried over to fiscal year 2015-16 budget.
3. Measure A– 2014-15 budget reflects an increase in the road rehabilitation project.
4. Traffic Safety – The actual from 2014-15 and next year’s budget are about the same.
5. Road Impact Fees – The actual expenses for 2014-15 and the 2015-16 budget are about the same.
6. Gas Tax – The actual expenses for 2014-15 and the 2015-16 budget are about the same.
7. Supplemental Law Enforcement - Budget from year to year remained the same.
8. Highway Safety Improvement Project – All Capital Outlay projects and funds are under the Capital Outlay category.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

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.

BASIC FINANCIAL STATEMENTS

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Town of Woodside, California
Statement of Net Position
June 30, 2015

ASSETS	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$ 10,201,325	\$ 459,000	\$ 10,660,325
Receivables:			
Accounts receivable	1,579	100	1,679
Interest receivable	10,572	654	11,226
Intergovernmental receivable	30,173	-	30,173
Taxes receivable	72,933	-	72,933
Loans receivable	-	4,836	4,836
Other receivables	11,814	-	11,814
Total current assets	<u>10,328,396</u>	<u>464,590</u>	<u>10,792,986</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	9,468,373	-	9,468,373
Depreciable	5,624,826	528,817	6,153,643
Total noncurrent assets	<u>15,093,199</u>	<u>528,817</u>	<u>15,622,016</u>
Total assets	<u>25,421,595</u>	<u>993,407</u>	<u>26,415,002</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	499,541	15,148	514,689
Total assets and deferred outflows of resources	<u>\$ 25,921,136</u>	<u>\$ 1,008,555</u>	<u>\$ 26,929,691</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 369,638	\$ 9,237	\$ 378,875
Deposits payable	483,929	-	483,929
Compensated absences - current portion	25,995	-	25,995
Unearned revenue	-	4,836	4,836
Total current liabilities	<u>879,562</u>	<u>14,073</u>	<u>893,635</u>
Noncurrent liabilities:			
Long-term liabilities:			
Compensated absences	233,954	-	233,954
Net OPEB obligation	144,559	-	144,559
Net pension liability	1,992,630	60,426	2,053,056
Total noncurrent liabilities	<u>2,371,143</u>	<u>60,426</u>	<u>2,431,569</u>
Total liabilities	<u>3,250,705</u>	<u>74,499</u>	<u>3,325,204</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	520,417	15,782	536,199
Total deferred inflows of resources	<u>520,417</u>	<u>15,782</u>	<u>536,199</u>
NET POSITION			
Net investment in capital assets	15,093,199	528,817	15,622,016
Restricted	3,151,134	-	3,151,134
Unrestricted	3,905,681	389,457	4,295,138
Total net position	<u>22,150,014</u>	<u>918,274</u>	<u>23,068,288</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 25,921,136</u>	<u>\$ 1,008,555</u>	<u>\$ 26,929,691</u>

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Town Council	\$ 37,792	\$ -	\$ -	\$ -
Administration and Finance	932,744	53,013	-	-
Planning Department	940,023	601,807	-	-
Buildings and Grounds	139,938	-	-	-
Town-wide Overhead	366,535	-	-	-
Safety Services	1,749,520	354	88,354	-
Trails and Stables	74,290	26,818	-	-
Barkley Fields	236,402	5,760	-	-
Library Services	210,552	-	-	-
Public Works	2,849,995	1,208,291	484,286	278,623
Recreation and Open Space	118,221	142,630	-	-
Total governmental activities	7,656,012	2,038,673	572,640	278,623
Business-type activities:				
Sewer Capital Improvement	24,326	22,514	-	-
Sewer Utility	242,375	288,070	-	-
Town Center Pump Sewer	86,833	-	-	-
Cañada Corridor Sewer	27,341	23,063	-	-
Total business-type activities	380,875	333,647	-	-
Total primary government	\$ 8,036,887	\$ 2,372,320	\$ 572,640	\$ 278,623

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales and use tax

Property transfer tax

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

Adjustments

Beginning, as adjusted

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
\$ (37,792)	\$ -	\$ (37,792)
(879,731)	-	(879,731)
(338,216)	-	(338,216)
(139,938)	-	(139,938)
(366,535)	-	(366,535)
(1,660,812)	-	(1,660,812)
(47,472)	-	(47,472)
(230,642)	-	(230,642)
(210,552)	-	(210,552)
(878,795)	-	(878,795)
24,409	-	24,409
<u>(4,766,076)</u>	<u>-</u>	<u>(4,766,076)</u>
-	(1,812)	(1,812)
-	45,695	45,695
-	(86,833)	(86,833)
-	(4,278)	(4,278)
-	(47,228)	(47,228)
<u>\$ (4,766,076)</u>	<u>\$ (47,228)</u>	<u>\$ (4,813,304)</u>
3,998,193	-	3,998,193
652,398	-	652,398
235,680	-	235,680
438,724	-	438,724
138,685	-	138,685
67,877	-	67,877
25,077	1,578	26,655
725,888	-	725,888
<u>6,282,522</u>	<u>1,578</u>	<u>6,284,100</u>
57,834	(57,834)	-
<u>6,340,356</u>	<u>(56,256)</u>	<u>6,284,100</u>
1,574,280	(103,484)	1,470,796
22,903,858	1,092,358	23,996,216
(2,328,124)	(70,600)	(2,398,724)
<u>20,575,734</u>	<u>1,021,758</u>	<u>21,597,492</u>
<u>\$ 22,150,014</u>	<u>\$ 918,274</u>	<u>\$ 23,068,288</u>

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

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

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 (1991)	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.

Town of Woodside, California
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
ASSETS			
Cash and investments	\$ 7,012,802	\$ 2,008,511	\$ 448,684
Receivables:			
Accounts	1,579	-	-
Interest	6,958	2,802	101
Intergovernmental	-	-	30,173
Taxes receivable	72,933	-	-
Other receivable	-	-	-
Due from other funds	26,452	-	-
Total assets	\$ 7,120,724	\$ 2,011,313	\$ 478,958
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 295,810	\$ 43,513	\$ 9,730
Due to other funds	-	-	-
Deposits payable	483,929	-	-
Total liabilities	779,739	43,513	9,730
Fund balances:			
Restricted reported in:			
Special revenue funds	-	1,967,800	469,228
Unassigned (deficit), reported in:			
General Fund	6,340,985	-	-
Special revenue funds	-	-	-
Total fund balances	6,340,985	1,967,800	469,228
Total liabilities and fund balances	\$ 7,120,724	\$ 2,011,313	\$ 478,958

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

Nonmajor Governmental Funds		Totals
\$ 731,328	\$ 10,201,325	
-	1,579	
711	10,572	
-	30,173	
-	72,933	
11,814	11,814	
-	26,452	
<u>\$ 743,853</u>	<u>\$ 10,354,848</u>	

\$ 20,585	\$ 369,638
26,452	26,452
-	483,929
<u>47,037</u>	<u>880,019</u>

714,106	3,151,134
-	6,340,985
(17,290)	(17,290)
<u>696,816</u>	<u>9,474,829</u>
<u>\$ 743,853</u>	<u>\$ 10,354,848</u>

Town of Woodside, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances - total governmental funds \$ 9,474,829

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. 15,093,199

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	\$ (259,949)	
Net OPEB obligation	(144,559)	
Net pension liability	(1,992,630)	(2,397,138)

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

Deferred outflows	499,541	
Deferred inflows	(520,417)	(20,876)

Net position of governmental activities \$ 22,150,014

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, 2015

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
ASSETS				
Current assets:				
Cash and investments	\$ 10,201,325	\$ -	\$ -	\$ 10,201,325
Receivables:				
Accounts receivable	1,579	-	-	1,579
Interest receivable	10,572	-	-	10,572
Intergovernmental receivable	30,173	-	-	30,173
Taxes receivable	72,933	-	-	72,933
Other Receivables	11,814	-	-	11,814
Due from other funds	26,452	(26,452)	-	-
Total current assets	10,354,848	(26,452)	-	10,328,396
Noncurrent assets:				
Capital assets, net	-	-	15,093,199	15,093,199
Total noncurrent assets	-	-	15,093,199	15,093,199
Total assets	10,354,848	(26,452)	15,093,199	25,421,595
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	-	-	499,541	499,541
Total assets and deferred outflows of resources	\$ 10,354,848	\$ (26,452)	\$ 15,592,740	\$ 25,921,136
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 369,638	\$ -	\$ -	\$ 369,638
Deposits payable	483,929	-	-	483,929
Due to other funds	26,452	(26,452)	-	-
Compensated absences - current	-	-	25,995	25,995
Total current liabilities	880,019	(26,452)	25,995	879,562
Noncurrent liabilities:				
Compensated absences	-	-	233,954	233,954
Net OPEB obligation	-	-	144,559	144,559
Net pension liability	-	-	1,992,630	1,992,630
Total noncurrent liabilities	-	-	2,371,143	2,371,143
Total liabilities	880,019	(26,452)	2,397,138	3,250,705
DEFERRED INFLOWS OF RESOURCES				
Pension plan	-	-	520,417	520,417
Total deferred outflows of resources	-	-	520,417	520,417
FUND BALANCES/NET POSITION				
Fund balances:				
Restricted reported in:				
Special revenue funds	3,151,134	(3,151,134)	-	-
Unassigned (deficit), reported in:				
General Fund	6,340,985	(6,340,985)	-	-
Special revenue funds	(17,290)	17,290	-	-
Net position:				
Net investment in capital assets	-	-	15,093,199	15,093,199
Restricted	-	-	3,151,134	3,151,134
Unrestricted	-	9,474,829	(5,569,148)	3,905,681
Total fund balances/ net position	9,474,829	-	12,675,185	22,150,014
Total liabilities and net position	\$ 10,354,848	\$ (26,452)	\$ 15,592,740	\$ 25,921,136

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, 2015

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
REVENUES:			
Taxes and assessments	\$ 4,639,186	\$ -	\$ 324,489
Licenses and permits	1,370,808	-	-
Fines and forfeitures	15,784	-	-
Intergovernmental	797,343	-	-
Use of money and property	22,456	5,532	696
Charges for services	320,260	-	-
Other revenues	750,179	-	-
Total revenues	7,916,016	5,532	325,185
EXPENDITURES:			
Current:			
Town Council	37,792	-	-
Administration and Finance	1,187,935	-	-
Planning Department	937,105	-	-
Buildings and Grounds	127,438	-	-
Town-wide Overhead	315,433	-	-
Safety Services	1,648,167	-	-
Trails and Stables	74,290	-	-
Barkley Fields	151,253	-	-
Library Services	-	203,634	-
Public Works	1,508,987	-	653,834
Recreation and Open Space	118,221	-	-
Total expenditures	6,106,621	203,634	653,834
REVENUES OVER (UNDER) EXPENDITURES	1,809,395	(198,102)	(328,649)
OTHER FINANCING SOURCES (USES):			
Transfers in	525,188	-	454,045
Transfers out	(813,514)	(33,000)	(133,240)
Total other financing sources (uses)	(288,326)	(33,000)	320,805
Net change in fund balances	1,521,069	(231,102)	(7,844)
FUND BALANCES:			
Beginning of year	4,819,916	2,198,902	477,072
End of year	\$ 6,340,985	\$ 1,967,800	\$ 469,228

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

Other Governmental Funds		Totals	
\$	158,151	\$	5,121,826
	-		1,370,808
	42,782		58,566
	255,443		1,052,786
	1,875		30,559
	465,828		786,088
	1,646		751,825
	<u>925,725</u>		<u>9,172,458</u>
	-		37,792
	-		1,187,935
	-		937,105
	-		127,438
	-		315,433
	100,000		1,748,167
	-		74,290
	-		151,253
	-		203,634
	691,355		2,854,176
	-		118,221
	<u>791,355</u>		<u>7,755,444</u>
	<u>134,370</u>		<u>1,417,014</u>
	145,955		1,125,188
	<u>(87,600)</u>		<u>(1,067,354)</u>
	<u>58,355</u>		<u>57,834</u>
	192,725		1,474,848
	<u>504,091</u>		<u>7,999,981</u>
\$	<u>696,816</u>	\$	<u>9,474,829</u>

Town of Woodside, California

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

For the year ended June 30, 2015

Functions/Programs	Fund Based Totals	Compensated Absences	Depreciation	Capital Asset (Additions), Retirements & Adjustments	OPEB Obligation	Pension Plan	Government- wide Totals
Governmental activities:							
Town Council	\$ 37,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,792
Administration and Finance	1,187,935	19,514	39,346	-	567	(314,618)	932,744
Planning Department	937,105	-	2,918	-	-	-	940,023
Buildings and Grounds	127,438	-	12,500	-	-	-	139,938
Town-wide Overhead	315,433	-	51,102	-	-	-	366,535
Safety Services	1,748,167	-	1,353	-	-	-	1,749,520
Trails and Stables	74,290	-	-	-	-	-	74,290
Barkley Fields	151,253	-	85,149	-	-	-	236,402
Library Services	203,634	-	6,918	-	-	-	210,552
Public Works	2,854,176	-	19,164	(23,345)	-	-	2,849,995
Recreation and Open Space	118,221	-	-	-	-	-	118,221
Debt service/Interest	-	-	-	-	-	-	-
Total governmental activities	\$ 7,755,444	\$ 19,514	\$ 218,450	\$ (23,345)	\$ 567	\$ (314,618)	\$ 7,656,012

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, 2015

Net change in fund balances - total governmental funds \$ 1,474,848

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	23,345	
Depreciation expense	<u>(218,450)</u>	(195,105)

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

Change in compensated absences	(19,514)	
Change in net pension liability	<u>314,618</u>	295,104

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		(567)
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Change in net position of governmental activities \$ 1,574,280

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, 2015

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 4,071,417	\$ 4,071,417	\$ 4,639,186	\$ 567,769
Licenses and permits	1,188,450	1,188,450	1,370,808	182,358
Fines and forfeitures	31,000	31,000	15,784	(15,216)
Intergovernmental	597,180	597,180	797,343	200,163
Use of money and property	15,000	15,000	22,456	7,456
Charges for services	228,550	228,550	320,260	91,710
Other revenues	174,750	174,750	750,179	575,429
Total revenues	6,306,347	6,306,347	7,916,016	1,609,669
EXPENDITURES:				
Current:				
Town Council	30,944	30,944	37,792	(6,848)
Administration and Finance	1,127,196	1,127,196	1,187,935	(60,739)
Planning Department	1,051,742	1,051,742	937,105	114,637
Buildings and Grounds	187,967	187,967	127,438	60,529
Town-wide Overhead	515,000	515,000	315,433	199,567
Safety Services	1,619,382	1,619,382	1,648,167	(28,785)
Trails and Stables	65,740	65,740	74,290	(8,550)
Barkley Fields	152,430	152,430	151,253	1,177
Library Services	-	-	-	-
Public Works	1,544,546	1,544,546	1,508,987	35,559
Recreation and Open Space	135,320	135,320	118,221	17,099
Capital outlay	-	-	-	-
Total expenditures	6,430,267	6,430,267	6,106,621	323,646
REVENUES OVER (UNDER) EXPENDITURES	(123,920)	(123,920)	1,809,395	1,933,315
OTHER FINANCING SOURCES (USES):				
Transfers in	525,298	525,298	525,188	(110)
Transfers out	(813,514)	(813,514)	(813,514)	-
Total other financing sources (uses)	(288,216)	(288,216)	(288,326)	(110)
Net change in fund balances	(412,136)	(412,136)	1,521,069	1,933,205
FUND BALANCES:				
Beginning of year	4,819,916	4,819,916	4,819,916	-
End of year	\$ 4,407,780	\$ 4,407,780	\$ 6,340,985	\$ 1,933,205

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)
\$ -	\$ -	\$ -	\$ -	\$ 265,000	265,000	\$ 324,489	\$ 59,489
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	6,000	5,532	(468)	750	750	696	(54)
-	-	-	-	-	-	-	-
-	-	-	-	-	0	-	-
6,000	6,000	5,532	(468)	265,750	265,750	325,185	59,435
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,379,816	2,379,816	203,634	2,176,182	-	-	-	-
-	-	-	-	675,114	675,114	653,834	21,280
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,379,816	2,379,816	203,634	2,176,182	675,114	675,114	653,834	21,280
(2,373,816)	(2,373,816)	(198,102)	2,175,714	(409,364)	(409,364)	(328,649)	80,715
-	-	-	-	355,600	355,600	454,045	98,445
(33,000)	(33,000)	(33,000)	-	(133,240)	(133,240)	(133,240)	-
(33,000)	(33,000)	(33,000)	-	222,360	222,360	320,805	98,445
(2,406,816)	(2,406,816)	(231,102)	2,175,714	(187,004)	(187,004)	(7,844)	179,160
2,198,902	2,198,902	2,198,902	-	477,072	477,072	477,072	-
\$ (207,914)	\$ (207,914)	\$ 1,967,800	\$ 2,175,714	\$ 290,068	\$ 290,068	\$ 469,228	\$ 179,160

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PROPRIETARY FUNDS

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

All of the Town's Enterprise Funds have been identified as major proprietary funds for fiscal year 2013-2014.

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.
Town Center Pump Sewer	Accounts for all the assets and liabilities of the Town Center Sewer District and to hold reserves for meeting all prior year liabilities to Redwood City and the County of San Mateo for the treatment, transportation, and capacity rental needs of the District.
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, 2015

	<u>Sewer Capital Improvement</u>	<u>Sewer Utility</u>	<u>Town Center Pump Sewer</u>
ASSETS			
Current assets:			
Cash and investments	\$ 149,333	\$ 113,710	\$ 187,877
Receivables:			
Accounts	-	100	-
Interest	200	-	447
Loans	4,836	-	-
Total current assets	<u>154,369</u>	<u>113,810</u>	<u>188,324</u>
Noncurrent assets:			
Capital assets, net	-	-	224,628
Total assets	<u>154,369</u>	<u>113,810</u>	<u>412,952</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension lan	5,849	9,299	-
Total assets and deferred outflows of resources	<u>\$ 160,218</u>	<u>\$ 123,109</u>	<u>\$ 412,952</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 9,237	\$ -
Total current liabilities	<u>-</u>	<u>9,237</u>	<u>-</u>
Noncurrent liabilities:			
Unearned revenues	4,836	-	-
Net pension liability	23,331	37,095	-
Total liabilities	<u>28,167</u>	<u>46,332</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	6,094	9,688	-
Total deferred inflows of resources	<u>6,094</u>	<u>9,688</u>	<u>-</u>
Net Position:			
Net investment in capital assets	-	-	224,628
Unrestricted	125,957	67,089	188,324
Total Net Position	<u>125,957</u>	<u>67,089</u>	<u>412,952</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 160,218</u>	<u>\$ 123,109</u>	<u>\$ 412,952</u>

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

Cañada Corridor Sewer	Totals
\$ 8,080	\$ 459,000
-	100
7	654
-	4,836
<u>8,087</u>	<u>464,590</u>
304,189	528,817
<u>\$ 312,276</u>	<u>\$ 993,407</u>
-	15,148
<u>\$ 312,276</u>	<u>\$ 1,008,555</u>
\$ -	\$ 9,237
-	9,237
-	4,836
-	60,426
-	74,499
-	15,782
-	15,782
304,189	528,817
8,087	389,457
<u>312,276</u>	<u>918,274</u>
<u>\$ 312,276</u>	<u>\$ 1,008,555</u>

Town of Woodside, California
Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the year ended June 30, 2015

	Sewer Capital Improvement	Sewer Utility	Town Center Pump Sewer
OPERATING REVENUES:			
Charges for services	\$ -	\$ 288,070	\$ -
Other	22,514	-	-
Total operating revenues	<u>22,514</u>	<u>288,070</u>	<u>-</u>
OPERATING EXPENSES:			
Salaries and benefits	24,326	41,470	-
Professional services	-	1,000	-
Materials and supplies	-	199,905	11,960
Depreciation	-	-	74,873
Total operating expenses	<u>24,326</u>	<u>242,375</u>	<u>86,833</u>
OPERATING INCOME(LOSS)	<u>(1,812)</u>	<u>45,695</u>	<u>(86,833)</u>
NONOPERATING REVENUES:			
Interest revenue	402	405	760
Total non-operating revenues, net	<u>402</u>	<u>405</u>	<u>760</u>
NET INCOME BEFORE TRANSFERS	(1,410)	46,100	(86,073)
Capital contributions	-	-	-
Transfers in	-	-	-
Transfers out	-	(29,070)	(24,990)
Total transfers	<u>-</u>	<u>(29,070)</u>	<u>(24,990)</u>
CHANGE IN NET POSITION	(1,410)	17,030	(111,063)
NET POSITION:			
Beginning of year	154,627	93,399	524,015
Prior period adjustment	(27,260)	(43,340)	-
Beginning, as adjusted	<u>127,367</u>	<u>50,059</u>	<u>524,015</u>
End of year	<u>\$ 125,957</u>	<u>\$ 67,089</u>	<u>\$ 412,952</u>

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

Cañada Corridor Sewer	Totals
\$ 23,063	\$ 311,133
-	22,514
<u>23,063</u>	<u>333,647</u>
-	65,796
-	1,000
11,331	223,196
16,010	90,883
<u>27,341</u>	<u>380,875</u>
(4,278)	(47,228)
11	1,578
<u>11</u>	<u>1,578</u>
(4,267)	(45,650)
-	-
-	-
(3,774)	(57,834)
<u>(3,774)</u>	<u>(57,834)</u>
(8,041)	(103,484)
320,317	1,092,358
-	(70,600)
<u>320,317</u>	<u>1,021,758</u>
<u>\$ 312,276</u>	<u>\$ 918,274</u>

Town of Woodside, California
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2015

	Sewer Capital Improvement	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received (refunds paid) from (to) customers/users for services provided	\$ 22,514	\$ 288,100
Cash payments to suppliers for goods and services	-	(194,108)
Cash payments to employees for services	(28,010)	(47,326)
Net cash provided by operating activities	(5,496)	46,666
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	-	-
Transfers received (paid)	-	(29,070)
Net cash used by noncapital financing activities	-	(29,070)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	-	-
Net cash (used) by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	367	405
Net cash provided by investing activities	367	405
Net increase (decrease) in cash and cash equivalents	(5,129)	18,001
CASH AND CASH EQUIVALENTS:		
Beginning of year	154,462	95,709
End of year	<u>\$ 149,333</u>	<u>\$ 113,710</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Operating income (loss)	\$ (1,812)	\$ 45,695
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	-
Pension expense	(3,684)	(5,856)
(Increase) decrease in current assets:		
Accounts receivable	-	30
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	-	6,797
Net cash provided by operating activities	\$ (5,496)	\$ 46,666

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2015.

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

Town Center Pump Sewer	Cañada Corridor Sewer	Totals
\$ -	\$ 23,063	\$ 333,677
(11,960)	(11,331)	(217,399)
-	-	(75,336)
(11,960)	11,732	40,942
-	-	-
(24,990)	(3,774)	(57,834)
(24,990)	(3,774)	(57,834)
-	-	-
-	-	-
674	4	1,450
674	4	1,450
(36,276)	7,962	(15,442)
224,153	118	474,442
\$ 187,877	\$ 8,080	\$ 459,000
\$ (86,833)	\$ (4,278)	\$ (47,228)
74,873	16,010	90,883
-	-	(9,540)
-	-	30
-	-	6,797
\$ (11,960)	\$ 11,732	\$ 40,942

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FIDUCIARY FUNDS

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

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

Town of Woodside, California
Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	ASSETS	<u>Totals</u>
Cash and investments		\$ 445,869
Receivables:		
Interest		<u>731</u>
Total assets		<u><u>\$ 446,600</u></u>
	LIABILITIES	
Due to others		<u>\$ 446,600</u>
Total liabilities		<u><u>\$ 446,600</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2015

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Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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, 2015

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, 2015

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

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.

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, 2015

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, 2015

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, 2015

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.

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, 2015

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.

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, 2015

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, 2015

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, 2015

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, 2015. 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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Implementation of GASB Statements 68 and 71 related to Pension Plans

The GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans.

In addition, the GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, "Accounting and Financial Reporting for Pensions".

The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

In implementing these Statements, the Town recognizes a net pension liability, which represents the Town's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the Town's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the Town's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Prior Period Adjustment

Due to the Town's adoption of GASB 68, net position was adjusted at June 30, 2015. The following is a reconciliation of the total net position as previously reported at July 1, 2014, to the restated net position.

	Governmental Activities	Proprietary - Sewer Capital Improvement	Proprietary - Sewer Utility
Net Position at June 30, 2014	\$ 22,903,858	\$ 154,627	\$ 93,399
Adjustment:			
Adoption of GASB 68, pensions	(2,328,124)	(27,260)	(43,340)
Total Adjustments	<u>(2,328,124)</u>	<u>(27,260)</u>	<u>(43,340)</u>
Net Position at July 1, 2014, as adjusted	<u>\$ 20,575,734</u>	<u>\$ 127,367</u>	<u>\$ 50,059</u>

Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

2. CASH AND INVESTMENTS

At June 30, 2015, 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	\$ 125,730	\$ 125,730
Petty cash	600	600
Total pooled items	<u>126,330</u>	<u>126,330</u>
Pooled investments, at fair value		
<u>Interest obligations</u>		
State of California Local Agency Investment Fund	<u>10,979,864</u>	<u>10,979,864</u>
Total pooled investments - interest obligations	<u>10,979,864</u>	<u>10,979,864</u>
Total cash equivalents and investments pooled	<u>\$ 11,106,194</u>	<u>\$ 11,106,194</u>
Amounts reported in:		
Governmental activities		\$ 10,201,325
Business-type activities		459,000
Fiduciary activities - Agency Funds		445,869
Total		<u>\$ 11,106,194</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Local Agency Investment Fund	<u>10,979,864</u>	0.58
Total fair value	<u>\$ 10,979,864</u>	
Portfolio weighted average maturity		0.58

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) and certificates of deposit in California financial institutions.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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 0.97% 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. As of June 30, 2015, the Town had a balance of \$206,131 which was within the \$250,000 Federal Deposit Insurance Corporation’s insurance limits.

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, 2015, the carrying amount of the Town’s deposits was \$125,730 and the balances in financial institutions were \$206,131. 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, 2015, the total fair value amount invested by all public agencies in LAIF is \$21,495,234,784 of which the Town’s fair value amount is \$10,979,864. Of the total invested, 0.97% was invested in Structured Notes and 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, 2015

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2015:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts	\$ 4,231	\$ 100	\$ -	\$ 4,331
Interest	10,572	654	731	11,957
Intergovernmental	30,173	-	-	30,173
Taxes	72,933	-	-	72,933
Loans	-	4,836	-	4,836
Other	9,162	-	-	9,162
Total accounts receivable	<u>\$ 127,071</u>	<u>\$ 5,590</u>	<u>\$ 731</u>	<u>\$ 133,392</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	22.6%
Individuals / Businesses	68.4%
Financial	9.0%

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, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
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	7,057,683	-	-	7,057,683
Machinery & equipment	1,065,619	23,345	(8,000)	1,080,964
Total depreciable assets	<u>8,123,302</u>	<u>23,345</u>	<u>(8,000)</u>	<u>8,138,647</u>
Total	<u>17,591,675</u>	<u>23,345</u>	<u>(8,000)</u>	<u>17,607,020</u>
Accumulated depreciation:				
Buildings and improvements	(1,589,814)	(141,154)	-	(1,730,968)
Machinery & equipment	(713,557)	(77,296)	8,000	(782,853)
Total accumulated depreciation	<u>(2,303,371)</u>	<u>(218,450)</u>	<u>8,000</u>	<u>(2,513,821)</u>
Net depreciable assets	<u>5,819,931</u>	<u>(195,105)</u>	<u>-</u>	<u>5,624,826</u>
Total net capital assets	<u>\$ 15,288,304</u>	<u>\$ (195,105)</u>	<u>\$ -</u>	<u>\$ 15,093,199</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

4. CAPITAL ASSETS, Continued

	Balance July 1, 2014	Additions	Deletions/ Adjustment	Balance June 30, 2015
<u>Business-type activities</u>				
Depreciable assets:				
Buildings and improvements	\$ 141,706	\$ -	\$ -	\$ 141,706
Pumps and collections system	2,726,497	-	-	2,726,497
Machinery & equipment	9,727	-	-	9,727
Total depreciable assets	<u>2,877,930</u>	<u>-</u>	<u>-</u>	<u>2,877,930</u>
Accumulated depreciation:				
Buildings and improvements	(141,706)	-	-	(141,706)
Pumps and collections system	(2,106,797)	(90,883)	-	(2,197,680)
Machinery & equipment	(9,727)	-	-	(9,727)
Total accumulated depreciation	<u>(2,258,230)</u>	<u>(90,883)</u>	<u>-</u>	<u>(2,349,113)</u>
Total net capital assets	<u>\$ 619,700</u>	<u>\$ (90,883)</u>	<u>\$ -</u>	<u>\$ 528,817</u>

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

Governmental Activities	
Administration and Finance	\$ 39,346
Planning Department	2,918
Buildings and Grounds	12,500
Town-wide Overhead	51,102
Safety Services	1,353
Barkley Fields	85,149
Library Services	6,918
Public Works	19,164
Total	<u>\$ 218,450</u>
 Business-Type Activities	
Town center pump sewer	\$ 74,873
Cañada Corridor sewer	16,010
Total	<u>\$ 90,883</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2015:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 289,502	\$ 9,237	\$ 298,739
Accrued liabilities	80,136	-	80,136
Deposits payable	483,929	-	483,929
Unearned revenue	-	4,836	4,836
Total	<u>\$ 853,567</u>	<u>\$ 14,073</u>	<u>\$ 867,640</u>

These amounts resulted in the following concentrations in payables:

Vendors	90.8%
Employees	9.2%

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, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Compensated Absences	\$ 240,435	\$ 19,515	\$ -	\$ 259,950	\$ 25,995
Net OPEB Obligation	143,992	567	-	144,559	-
Net Pension Liability	-	2,053,056	-	2,053,056	-
Total noncurrent liabilities	<u>\$ 384,427</u>	<u>\$ 2,073,138</u>	<u>\$ -</u>	<u>\$ 2,457,565</u>	<u>\$ 25,995</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, 2015, the Town had a Net OPEB Obligation of \$144,559. See Note 11 for further discussion on OPEB.

Net Pension Liability

The Net Pension Liability is the CalPERS actuarial calculated estimate of the Town of Woodside retiree pension liability. See Note 10 for further discussion.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

7. NET POSITION/ FUND BALANCES

Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net investment in capital assets	\$ 15,093,199	\$ 528,817
Restricted	3,151,134	-
Unrestricted	<u>3,905,681</u>	<u>389,457</u>
Total	<u>\$ 22,150,014</u>	<u>\$ 918,274</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, 2015:

Restricted:	
Major Funds:	
Library Operations	\$ 1,967,800
Measure A	469,228
Total Major Funds- Restricted	<u>2,437,028</u>
Nonmajor Funds:	
Traffic Safety	\$ 45,188
Road Impact Fees	580,527
Gas Tax	78,160
California Law Enforcement Equipment Program	10,231
Total Nonmajor Funds- Restricted	<u>714,106</u>
Total Restricted	<u>\$ 3,151,134</u>
Unassigned (deficit):	
Major Funds:	
General Fund	6,340,985
Total Major Funds- Unassigned	<u>6,340,985</u>
Nonmajor Funds:	
Supplemental Law Enforcement Service	(17,290)
Total Nonmajor Funds- Unassigned (deficit)	<u>(17,290)</u>
Total Unassigned	<u>6,323,695</u>
Total Fund Balance	<u>\$ 9,474,829</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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.
- **HSIP/ TA Grant** – represents amounts restricted for State of California highway safety improvement program grant funds.

Deficit fund balances consisted of the following at June 30, 2015:

Nonmajor Special Revenue Funds:

Supplemental Law Enforcement Service - (\$17,290)

These amounts will be eliminated over time as resources become available through grants and intergovernmental revenues.

Excess of Expenditures and Transfers Over Appropriations: Expenditures and transfers exceeded appropriations for the year ended June 30, 2015, for the following funds:

	<u>Final Budget</u>	<u>Total Expenditures and Transfers</u>	<u>Excess Expenditures Over Appropriations</u>
<u>Governmental Activities</u>			
Nonmajor Funds:			
Traffic Safety Special Revenue Fund	\$ 34,500	\$ 46,251	\$ (11,751)
Road Impact Fees Special Revenue Fund	269,860	315,969	(46,109)

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 525,188	\$ 813,514
Library Operations	-	33,000
Measure A	454,045	133,240
Total Major Funds	<u>979,233</u>	<u>979,754</u>
Non-major Funds:		
Special Revenue Funds:		
Road Impact Fees	-	51,900
Gas Tax	-	35,700
HSIP/TA Grant	145,955	-
Total Non-major Special Revenue Funds	<u>145,955</u>	<u>87,600</u>
Total Non-major Funds	<u>145,955</u>	<u>87,600</u>
Total Governmental Activities	<u>1,125,188</u>	<u>1,067,354</u>
<u>Business-type Activities</u>		
Sewer Utility	-	29,070
Town Center Pump Sewer	-	24,990
Cañada Corridor Sewer	-	3,774
Total Business-type Activities	<u>-</u>	<u>57,834</u>
Total Transfers	<u><u>\$ 1,125,188</u></u>	<u><u>\$ 1,125,188</u></u>

9. RISK MANAGEMENT

The Town of Woodside, California is a member of Association of Bay Area Governments (ABAG), for general liability claims in an amount of up to \$5,000,000. ABAG is responsible for administering the Pooled Liability Assurance Network (PLAN) Corporation. Through ABAG PLAN, the Town has additional insurance coverage from Insurance Company of the State of PA and Lexington Insurance Company. The Town pays an annual premium to ABAG for its insurance coverage.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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	ABAG PLAN	Shared risk pool
\$5,000,001 - \$10,000,000	Insurance Company of the State of PA through ABAG	Alliant Insurance Services
\$10,000,001 - \$20,000,000	Lexington Insurance Company through ABAG	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 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, 2015, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA Miscellaneous</u>
	Prior to January 1, 2013	After January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 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	17.85%	6.25%

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Classic & PEPRA Miscellaneous
Contributions - employer	\$ 319,323
Contributions - employee (paid employer)	70,025
Contributions - employee (paid employee)	75,671

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

As of June 30, 2015, the Town reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 2,052,960
PEPRA Miscellaneous	96
Total Net Pension Liability	<u>\$ 2,053,056</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, 2014, 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, 2013 rolled forward to June 30, 2014 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, 2013 and 2014 was as follows:

	Miscellaneous	PEPRA - Miscellaneous
Proportion - June 30, 2013	N/A	N/A
Proportion - June 30, 2014	0.03299%	0.00000%
Change - Increase (Decrease)	N/A	N/A

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2015, the Town recognized pension expense of \$66,364. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 390,522	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(533,754)
Adjustment due to differences in proportions	124,167	(2,445)
Total	<u>\$ 514,689</u>	<u>\$ (536,199)</u>

The \$390,522 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, 2016. 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	
2016	\$ 300,557
2017	(89,965)
2018	(98,662)
2019	(133,440)
2020	-
Thereafter	-

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	PEPRA - Miscellaneous
	30-Jun-13	30-Jun-13
Valuation Date	30-Jun-13	30-Jun-13
Measurement	30-Jun-14	30-Jun-14
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Projected Salary Increase	(1)	(1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Post Retirement Benefit Increase	(3)	(3)

(1) Depending on age, service, and type of employment

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

(3) Contract COLA up to 2.7% until purchasing power protection allowance on purchasing power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate -The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>PEPRA - Miscellaneous</u>
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 3,356,123	\$ 171
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 2,052,960	\$ 96
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 971,459	\$ 33

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, 2015, the Town reported a payable of \$17,087 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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. Employees hired after January 1, 2013 will only receive the statutory minimum required by the Public Employees’ Medical and Hospital Care Act, which is \$122 per month in 2015, toward their retiree health premium.

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.

Membership of the plan consisted of the following at June 30, 2015

Retirees and beneficiaries receiving benefits	6
Current staff receiving benefits	9
Other “Classic” participants not yet fully eligible for benefits	7
“PEPRA” participants not yet fully eligible for benefits	3
Total	25

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 Required Contribution (ARC).

The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

For FY 2015, the Town contributed \$107,754 to the Plan, including \$45,773 for current benefit payments and \$61,981 to prefund Plan benefits.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

11. OTHER POST EMPLOYMENT BENEFITS, Continued

Annual OPEB Cost and Net OPEB Obligation. The Town’s annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town’s Net OPEB obligation:

Annual required contribution	\$ 107,022
Adjustment to ARC and interest received in trust	1,299
Annual OPEB cost (expense)	<u>108,321</u>
Contributions made to irrevocable trust	(61,981)
Contributions made (premiums paid) outside of trust	<u>(45,773)</u>
Increase (Decrease) in net OPEB obligation	567
Net OPEB obligation – beginning of year	<u>143,992</u>
Net OPEB obligation – end of year	<u><u>\$ 144,559</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for FY 2015 and the two preceding fiscal years were as follows:

Fiscal Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/13	\$112,948	99%	\$153,873
6/30/14	102,689	109%	143,992
6/30/15	108,321	99%	144,559

Funded Status and Funding Progress. The funded status of the Plan as of July 1, 2013, the Plan’s most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,186,503
Actuarial value of Plan assets	<u>313,311</u>
Unfunded actuarial accrued liability (UAAL)	\$ 873,192
Funded ratio (actuarial value of Plan assets/AAL)	26%
Covered payroll (active Plan participants)	\$ 1,876,841
UAAL as a percentage of covered payroll	46.5%

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

11. OTHER POST EMPLOYMENT BENEFITS, Continued

Funded Status and Funding Progress, continued

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the July 1, 2013, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.06% investment rate of return (net of administrative expenses) and a 3.25% general inflation assumption. Health care trends were assumed to increase with a medical cost increase rate 6.7%, grading down to 5.0% for 2021 and thereafter. The Town pays the monthly premiums for retirees' medical coverage up to a maximum of \$1,000/mo. The total Unfunded Actuarial Accrued Liability calculated in the July 1, 2013, valuation was amortized as a level percentage of projected payrolls over a 30-year period beginning fiscal year 2013.

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.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

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 \$4,963. The Town's share of year-end assets, liabilities, or fund equity has not been calculated by C/CAG.

14. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 72, "*Fair Value Measurement and Application*". The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2016.

The GASB has issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions", as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, "Financial Reporting for Pension Plans", and Statement 68 for pension plans and pensions that are within their respective scopes.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

14. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. The Town will evaluate the applicability of the provisions of this Statement and implement it in the applicable year, accordingly.

The GASB has issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces Statements No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The Town will implement this Statement in fiscal year ending June 30, 2017.

The GASB has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2018.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

14. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2016.

The GASB has issued Statement No. 77, “Tax Abatement Disclosures”. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Woodside, California
Required Supplementary Information - Schedule of Funding Progress
June 30, 2015

Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)
7/1/2012	\$ 156,036	\$ 895,768	\$ 739,732	17%	\$ 2,002,692
7/1/2013 ¹	\$ 163,447	\$ 988,309	\$ 988,309	17%	\$ 1,739,929
7/1/2014 ²	\$ 235,396	\$ 1,106,555	\$ 871,159	21%	\$ 1,689,250
7/1/2015 ³	\$ 313,311	\$ 1,186,503	\$ 873,192	26%	\$ 1,876,941

¹ The 7/1/2013 Actuarial Accrued Liability was calculated using a discount rate of 7.61%

² The 7/1/2014 Actuarial Accrued Liability was calculated using a discount rate of 7.06%

³ The 7/1/2015 Actuarial Accrued Liability was calculated using a discount rate of 7.06%

Town of Woodside, California

Required Supplementary Information - Schedule of Contributions

Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2014</u>
Contractually required contribution (actuarially determined)	\$ 349,539
Contributions in relation to the actuarially determined contributions	<u>(349,539)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,575,333
Contribution as a percentage of covered-employee payroll	22.19%

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.

* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

Town of Woodside, California

Required Supplementary Information - Schedule of Contributions

PEPRA Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2014</u>
Contractually required contribution (actuarially determined)	\$ 5,346
Contributions in relation to the actuarially determined contributions	<u>(5,346)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 64,841
Contribution as a percentage of covered-employee payroll	8.24%

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.

* - Fiscal year 2015 was the first year of implementation, therefore only the first year was 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>2014</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.03299%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,052,960
Plan's Covered-Employee Payroll	\$ 1,575,333
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	130.32%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.10%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 210,118

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.

* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

Town of Woodside, California

Required Supplementary Information - Schedule of the Town's Proportionate Share of the Net Pension Liability

PEPRA Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2014</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.00000%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 96
Plan's Covered-Employee Payroll	\$ 64,841
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	0.15%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.04%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 13

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.

* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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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.
HSIP/TA Grant	Fund accounts for State of California highway safety improvement program grant funds

Town of Woodside, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
ASSETS			
Cash and investments	\$ 46,487	\$ 596,596	\$ 78,021
Receivables:			
Interest	51	514	139
Other receivable	2,652	-	-
Due from other funds	-	-	-
Total assets	\$ 49,190	\$ 597,110	\$ 78,160
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,002	\$ 16,583	\$ -
Due to other funds	-	-	-
Total liabilities	4,002	16,583	-
Fund Balances:			
Restricted:	45,188	580,527	78,160
Unassigned (deficit), reported in:			
Special revenue funds	-	-	-
Total fund balances	45,188	580,527	78,160
Total liabilities and fund balances	\$ 49,190	\$ 597,110	\$ 78,160

Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	HSIP/TA Grant	Total Non-Major Governmental Funds
\$ -	\$ 10,224	\$ -	\$ 731,328
-	7	-	711
9,162	-	-	11,814
-	-	-	-
<u>\$ 9,162</u>	<u>\$ 10,231</u>	<u>\$ -</u>	<u>\$ 743,853</u>
\$ -	\$ -	\$ -	\$ 20,585
26,452	-	-	26,452
<u>26,452</u>	<u>-</u>	<u>-</u>	<u>47,037</u>
-	10,231	-	714,106
(17,290)	-	-	(17,290)
<u>(17,290)</u>	<u>10,231</u>	<u>-</u>	<u>696,816</u>
<u>\$ 9,162</u>	<u>\$ 10,231</u>	<u>\$ -</u>	<u>\$ 743,853</u>

Town of Woodside, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2015

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ 158,151
Fines and forfeitures	42,782	-	-
Intergovernmental	-	-	-
Use of money and property	108	1,431	268
Charges for services	-	465,828	-
Other revenues	1,646	-	-
Total revenues	44,536	467,259	158,419
EXPENDITURES:			
Current:			
Safety Services	-	-	-
Public Works	46,251	264,069	135,823
Total expenditures	46,251	264,069	135,823
REVENUES OVER (UNDER) EXPENDITURES	(1,715)	203,190	22,596
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(51,900)	(35,700)
Total other financing sources (uses)	-	(51,900)	(35,700)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(1,715)	151,290	(13,104)
FUND BALANCES:			
Beginning of year	46,903	429,237	91,264
End of year	<u>\$ 45,188</u>	<u>\$ 580,527</u>	<u>\$ 78,160</u>

Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	HSIP/TA Grant	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 158,151
-	-	-	42,782
88,354	-	167,089	255,443
48	19	1	1,875
-	-	-	465,828
-	-	-	1,646
<u>88,402</u>	<u>19</u>	<u>167,090</u>	<u>925,725</u>
100,000	-	-	100,000
-	-	245,212	691,355
<u>100,000</u>	<u>-</u>	<u>245,212</u>	<u>791,355</u>
<u>(11,598)</u>	<u>19</u>	<u>(78,122)</u>	<u>134,370</u>
-	-	145,955	145,955
-	-	-	(87,600)
-	-	145,955	58,355
(11,598)	19	67,833	192,725
<u>(5,692)</u>	<u>10,212</u>	<u>(67,833)</u>	<u>504,091</u>
<u>\$ (17,290)</u>	<u>\$ 10,231</u>	<u>\$ -</u>	<u>\$ 696,816</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, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 42,782	\$ 12,782
Use of money and property	200	200	108	(92)
Other revenues	4,000	4,000	1,646	(2,354)
Total revenues	34,200	34,200	44,536	10,336
EXPENDITURES:				
Current:				
Public works	34,500	34,500	46,251	(11,751)
Total expenditures	34,500	34,500	46,251	(11,751)
REVENUES OVER (UNDER)				
EXPENDITURES	(300)	(300)	(1,715)	(1,415)
Net change in fund balances	(300)	(300)	(1,715)	(1,415)
FUND BALANCES:				
Beginning of year	46,903	46,903	46,903	-
End of year	\$ 46,603	\$ 46,603	\$ 45,188	\$ (1,415)

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, 2015

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,500	\$ 1,500	\$ 1,431	\$ (69)
Charges for services	275,000	275,000	465,828	190,828
Total revenues	276,500	276,500	467,259	190,759
EXPENDITURES:				
Current:				
Public works	217,960	217,960	264,069	(46,109)
Total expenditures	217,960	217,960	264,069	(46,109)
REVENUES OVER (UNDER) EXPENDITURES	58,540	58,540	203,190	144,650
OTHER FINANCING SOURCES (USES):				
Transfers out	(51,900)	(51,900)	(51,900)	-
Total other financing sources (uses)	(51,900)	(51,900)	(51,900)	-
Net change in fund balances	6,640	6,640	151,290	144,650
FUND BALANCES:				
Beginning of year	429,237	429,237	429,237	-
End of year	\$ 435,877	\$ 435,877	\$ 580,527	\$ 144,650

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, 2015

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 149,673	\$ 149,673	\$ 158,151	\$ 8,478
Use of money and property	-	-	268	268
Total revenues	<u>149,673</u>	<u>149,673</u>	<u>158,419</u>	<u>8,746</u>
EXPENDITURES:				
Current:				
Public works	<u>138,767</u>	<u>138,767</u>	<u>135,823</u>	<u>2,944</u>
Total expenditures	<u>138,767</u>	<u>138,767</u>	<u>135,823</u>	<u>2,944</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>10,906</u>	<u>10,906</u>	<u>22,596</u>	<u>11,690</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(35,700)</u>	<u>(35,700)</u>	<u>(35,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>(35,700)</u>	<u>(35,700)</u>	<u>(35,700)</u>	<u>-</u>
Net change in fund balances	<u>(24,794)</u>	<u>(24,794)</u>	<u>(13,104)</u>	<u>11,690</u>
FUND BALANCES:				
Beginning of year	<u>91,264</u>	<u>91,264</u>	<u>91,264</u>	<u>-</u>
End of year	<u>\$ 66,470</u>	<u>\$ 66,470</u>	<u>\$ 78,160</u>	<u>\$ 11,690</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, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 88,354	\$ (11,646)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>88,354</u>	<u>(11,646)</u>
EXPENDITURES:				
Current:				
Safety services	100,000	100,000	100,000	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(11,646)	(11,646)
Net change in fund balances	-	-	(11,646)	(11,646)
FUND BALANCES:				
Beginning of year	(5,692)	(5,692)	(5,692)	-
End of year	<u>\$ (5,692)</u>	<u>\$ (5,692)</u>	<u>\$ (17,338)</u>	<u>\$ (11,646)</u>

Town of Woodside, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

California Law Enforcement Equipment Program Special Revenue Fund

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Safety services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	-	-	10,212	10,212
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,212</u>	<u>\$ 10,212</u>

Town of Woodside, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

HSIP/TA Grant Special Revenue Fund

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 75,600	\$ 167,089	\$ 91,489
Use of money and property	-	-	1	1
Total revenues	-	75,600	167,090	91,490
EXPENDITURES:				
Current:				
Public safety	-	395,000	245,212	149,788
Total expenditures	-	395,000	245,212	149,788
REVENUES OVER (UNDER) EXPENDITURES	-	(319,400)	(78,122)	241,278
OTHER FINANCING SOURCES (USES):				
Transfers in	-	244,400	145,955	(98,445)
Total other financing sources (uses)	-	244,400	145,955	(98,445)
Net change in fund balances	-	(75,000)	67,833	142,833
FUND BALANCES:				
Beginning of year	-	-	(67,833)	(67,833)
End of year	\$ -	\$ (75,000)	\$ -	\$ 75,000

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AGENCY FUNDS

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

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, 2015

	1999 Woodside Road/ Whiskey Hill Road Parking District	Trail Gifts and Donations Fund	Mathiesen House	Marva Oaks
ASSETS				
Cash and investments	\$ 110,591	\$ 63,116	\$ 7,944	\$ 20,886
Receivables:				
Interest	117	75	10	26
Total assets	<u>\$ 110,708</u>	<u>\$ 63,191</u>	<u>\$ 7,954</u>	<u>\$ 20,912</u>
LIABILITIES				
Due to others	\$ 110,708	\$ 63,191	\$ 7,954	\$ 20,912
Total liabilities	<u>\$ 110,708</u>	<u>\$ 63,191</u>	<u>\$ 7,954</u>	<u>\$ 20,912</u>

<u>Town Hall Window Fund</u>	<u>Barkley Reserve Deposit Fund</u>	<u>Arts and Culture</u>	<u>Totals</u>
\$ 6,024	\$ 233,697	\$ 3,611	\$ 445,869
8	495		731
<u>\$ 6,032</u>	<u>\$ 234,192</u>	<u>\$ 3,611</u>	<u>\$ 446,600</u>
<u>\$ 6,032</u>	<u>\$ 234,192</u>	<u>\$ 3,611</u>	<u>\$ 446,600</u>
<u>\$ 6,032</u>	<u>\$ 234,192</u>	<u>\$ 3,611</u>	<u>\$ 446,600</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<hr/> 1999 Woodside Road/Whiskey Hill Road Parking District <hr/>				
ASSETS				
Cash and investments	\$ 112,055	\$ -	\$ (1,014)	\$ 111,041
Receivables:				
Interest	47	117	(47)	117
Total assets	<u>\$ 112,102</u>	<u>\$ 117</u>	<u>\$ (1,061)</u>	<u>\$ 111,158</u>
LIABILITIES				
Due to others	112,102	110,708	(112,102)	110,708
Total liabilities	<u>\$ 112,102</u>	<u>\$ 110,708</u>	<u>\$ (112,102)</u>	<u>\$ 110,708</u>
<hr/> Trails Gifts and Donations Funds <hr/>				
ASSETS				
Cash and investments	\$ 54,403	\$ 4,369	\$ -	\$ 58,772
Receivables:				
Interest	32	75	(32)	75
Total assets	<u>\$ 54,435</u>	<u>\$ 4,444</u>	<u>\$ (32)</u>	<u>\$ 58,847</u>
LIABILITIES				
Due to (from) others	\$ 54,435	\$ 4,444	\$ (32)	\$ 58,847
Total liabilities	<u>\$ 54,435</u>	<u>\$ 4,444</u>	<u>\$ (32)</u>	<u>\$ 58,847</u>
<hr/> Mathisen House <hr/>				
ASSETS				
Cash and investments	\$ 8,717	\$ -	\$ (288)	\$ 8,429
Receivables:				
Interest	6	10	(6)	10
Total assets	<u>\$ 8,723</u>	<u>\$ 10</u>	<u>\$ (294)</u>	<u>\$ 8,439</u>
LIABILITIES				
Due to (from) others	\$ 8,723	\$ 10	\$ (294)	\$ 8,439
Total liabilities	<u>\$ 8,723</u>	<u>\$ 10</u>	<u>\$ (294)</u>	<u>\$ 8,439</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2015

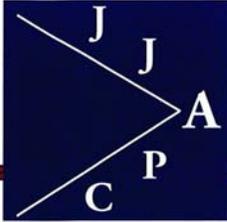
	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Marva Oaks				
ASSETS				
Cash and investments	\$ 20,798	\$ 38	\$ -	\$ 20,836
Receivables:				
Interest	12	26	(12)	26
Total assets	<u>\$ 20,810</u>	<u>\$ 64</u>	<u>\$ (12)</u>	<u>\$ 20,862</u>
LIABILITIES				
Due to (from) others	\$ 20,810	\$ 64	\$ (12)	\$ 20,862
Total liabilities	<u>\$ 20,810</u>	<u>\$ 64</u>	<u>\$ (12)</u>	<u>\$ 20,862</u>
Town Hall Window Fund				
ASSETS				
Cash and investments	\$ 5,999	\$ 11	\$ -	\$ 6,010
Receivables:				
Interest	4	8	(4)	8
Total assets	<u>\$ 6,003</u>	<u>\$ 19</u>	<u>\$ (4)</u>	<u>\$ 6,018</u>
LIABILITIES				
Due to (from) others	\$ 6,003	\$ 19	\$ (4)	\$ 6,018
Total liabilities	<u>\$ 6,003</u>	<u>\$ 19</u>	<u>\$ (4)</u>	<u>\$ 6,018</u>
Barkley Reserve Deposit Fund				
ASSETS				
Cash and investments	\$ 232,725	\$ 419	\$ -	\$ 233,144
Receivables:				
Interest	337	495	(337)	495
Total assets	<u>\$ 233,062</u>	<u>\$ 914</u>	<u>\$ (337)</u>	<u>\$ 233,639</u>
LIABILITIES				
Due to (from) others	\$ 233,062	\$ 914	\$ (337)	\$ 233,639
Total liabilities	<u>\$ 233,062</u>	<u>\$ 914</u>	<u>\$ (337)</u>	<u>\$ 233,639</u>

(Continued)

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<hr/>				
Arts and Culture				
<hr/>				
ASSETS				
Cash and investments	\$ -	\$ 3,611	\$ -	\$ 3,611
Total assets	<u>\$ -</u>	<u>\$ 3,611</u>	<u>\$ -</u>	<u>\$ 3,611</u>
LIABILITIES				
Due to (from) others	\$ -	\$ 3,611	\$ -	\$ 3,611
Total liabilities	<u>\$ -</u>	<u>\$ 3,611</u>	<u>\$ -</u>	<u>\$ 3,611</u>
TOTAL OF ALL AGENCY FUNDS				
<hr/>				
ASSETS				
Cash and investments	\$ 434,697	\$ 8,448	\$ (1,302)	\$ 441,843
Receivables:				
Interest	438	731	(438)	731
Total assets	<u>\$ 435,135</u>	<u>\$ 9,179</u>	<u>\$ (1,740)</u>	<u>\$ 442,574</u>
LIABILITIES				
Due to (from) others	\$ 435,135	\$ 119,770	\$ (112,781)	\$ 442,124
Total liabilities	<u>\$ 435,135</u>	<u>\$ 119,770</u>	<u>\$ (112,781)</u>	<u>\$ 442,124</u>

(Concluded)



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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 31, 2016.

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.

March 31, 2016

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA