

**TOWN OF WOODSIDE
BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2009**

TOWN OF WOODSIDE
Basic Financial Statements
For the Year Ended June 30, 2009
Table of Contents

Supplemental Information

Non-major Governmental Funds:

| | |
|---|----|
| Combining Balance Sheets..... | 66 |
| Combining Statements of Revenues, Expenditures, and Changes in Fund Balances..... | 68 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual | 70 |

Fiduciary Funds:

| | |
|---|----|
| Statement of Changes in Assets and Liabilities – All Agency Funds | 74 |
|---|----|

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

**INDEPENDENT AUDITOR'S REPORT
ON BASIC FINANCIAL STATEMENTS**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodside, California, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodside, California, as of June 30, 2009 and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Maze & Associates

August 13, 2009

This Page Left Intentionally Blank

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2009

This is the sixth fiscal year that the Town of Woodside has issued its financial statements in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34) and successor statements, as outlined in Note 2B to the Basic Financial Statements. GASB 34 was developed to make annual financial reports easier to understand and more useful to the people who use governmental financial information to make their decisions, including members of the Town Council, members of oversight bodies (such as the Town's Audit Committee), investors, creditors, and the public in general. GASB 34 introduced many changes to the look and content of annual financial reports. One important requirement is that financial managers provide *Management's Discussion and Analysis* (MD&A), which is designed to provide readers an objective and easily readable analysis of the governmental unit's financial performance for the reported year. This MD&A should be read in conjunction with the *Basic Financial Statements* and the accompanying notes to the Basic Financial Statements. The Basic Financial Statements include the *Government-wide Statements* and the *Fund Financial Statements*, along with the accompanying Notes.

Reporting the Town as a Whole: Government-wide Statements

The Government-wide Statements present the financial position of the Town with a longer-term view of the Town's activities as a whole, and consist of the *Statement of Net Assets* and the *Statement of Activities*. The Statement of Net Assets presents all information about the Town's assets and liabilities, both current and long-term, on the full accrual basis of accounting, which is similar to the accounting used by most private sector businesses. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred. Highlighting net assets, or the difference between assets and liabilities, is one way to measure the Town's financial health and position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The Town has chosen, within the parameters of GASB 34, not to retrospectively include the historic costs and accumulated depreciation of infrastructure in place, including but not limited to the Town's roadway system.

The Statement of Activities provides information about all of the Town's revenues and expenses, also on the full accrual basis, and emphasizes the measurement of the net revenues or expenses of each of the Town's functional or program areas. It also incorporates changes in Net Assets for the year. In accordance with GASB 34, certain eliminations have been made related to interfund activity, payables, and receivables.

Both the Statement of Net Assets and the Statement of Activities separately present information about the Town's *governmental activities* and its *business-type activities*. Most of the Town's basic services fall into the category of governmental activities, including administration, finance, public works, planning and building, trails, recreation, contractual police services, and library services. Sales, utility and property taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities. Business-type activities are those for which the Town charges a fee to customers to pay for the full cost of certain services provided. The Town's only business-type activities involve the provision of public sewer service.

Reporting the Town's Major Funds: Fund Financial Statements

The Fund Financial Statements include *governmental*, *proprietary* and *fiduciary* funds and report the Town's operations in more detail and with a shorter-term focus than the Government-wide Statements. A reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach under GASB 34.

The Fund Financial Statements provide detailed information about the Town's most significant funds, called *Major Funds*. The concept of Major Funds and the determination of which funds are Major Funds were established by GASB 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, and all of the Non-major Funds are combined in a single column. Major Funds present the major activities of the Town for the year. The General Fund is always a Major Fund, but other funds designated as Major Funds may change from year-to-year, based upon their specific pattern of activities. The Major Funds reported for 2008-09 are the General Fund, the Library Fund, the Measure A Fund, and the Barkley Fields and Park Construction Fund, which are all governmental funds, and the Sewer Service Enterprise Funds, which are proprietary funds.

Governmental Funds

Most of the Town's basic services are reported in governmental funds. These funds focus on reporting the flow of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period (by June 30th) or soon enough thereafter to be used. The governmental fund financial statements provide a detailed short-term view of the Town's general government operations and the basic services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Proprietary Funds

When the Town charges customers for services, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The Town's proprietary funds (e.g. the Sewer Service Enterprise Funds) are the same as the business-type activities reported in the Government-Wide Financial Statements, but the fund financial statements for the proprietary funds provide more detail and additional information, such as cash flows for each of the enterprise funds.

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 Assets. 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.

Financial Analysis: Government-wide Statements

As has been previously explained, the government-wide statements report Governmental and Business-type Activities separately in the Statement of Net Assets and the Statement of Activities. The analysis of these government-wide statements will accordingly look at the two types of activities separately.

Governmental Activities consist of most of the programs and functions of the Town. As of June 30, 2009, the net assets of the Town's Governmental Activities totaled \$21.6 million, as is highlighted in the following chart.

Statement of Assets: Governmental Activities Net Assets at June 30, 2009

| | 2008-09 | 2007-08 | Inc./ (Dec.) |
|----------------------------|----------------------|----------------------|---------------------|
| Cash & Investments | \$ 6,334,450 | \$ 7,549,854 | \$ (1,215,404) |
| Other Assets | 965,994 | 470,989 | 495,005 |
| Capital Assets | 16,267,307 | 16,000,282 | 267,025 |
| Total Assets | \$ 23,567,751 | \$ 24,021,125 | \$ (453,374) |
| Accounts Payable | 212,368 | 161,034 | 51,334 |
| Compensated Absences | 285,475 | 318,350 | (32,875) |
| Deposits Payable | 1,425,896 | 1,820,949 | (395,053) |
| Total Liabilities | \$ 1,923,739 | \$ 2,300,333 | \$ (376,594) |
| Net Assets: | | | |
| Invested in capital assets | 16,267,307 | 16,000,282 | 267,025 |
| Restricted | 2,609,356 | 3,028,483 | (419,127) |
| Unrestricted | 2,767,349 | 2,692,027 | 75,322 |
| Net Total Assets | \$ 21,644,012 | \$ 21,720,792 | \$ (76,780) |

The total net assets for the Town's Governmental Activities decreased by just under \$100,000 in 2008-09. This decrease is attributable to several things:

- ✓ "Net Assets Invested in Capital Assets" increased by \$267,000. This reflects the net of activity involving the addition, retirement, and depreciation of capital assets. Note 5 to the Basic Financial Statements includes a summary of the activity that impacted capital assets during 2007-08, which includes:

| | |
|---|-------------------|
| Capital Assets - Barkley Fields and Park | \$ 62,547 |
| Additions to Equipment/Computer Software | 368,412 |
| Subtotal | \$ 430,959 |
| Less: Additions to Accumulated Depreciation | (163,934) |
| Net Additions to Capital Assets | \$ 267,025 |

- ✓ Offsetting the increase in capital assets is a net decrease of about \$344,000. This net decrease is comprised of the following components:

- ☑ A decrease of \$1,215,404 in cash and investments
- ☑ An increase of \$495,005 in Other Assets
- ☑ An increase of \$51,334 in Accounts Payable
- ☑ A decrease of \$32,875 in Compensated Absences
- ☑ A decrease of \$395,053 in Deposits Payable

The decrease in **Cash and Investments** is the net result of the changes that occurred in the various funds that make up the Governmental Activities, as depicted in the following chart.

| Fund | 6/30/2009 | 6/30/2008 | Change |
|----------------------------------|---------------------|---------------------|-----------------------|
| General Fund | \$ 4,055,285 | \$ 4,545,973 | \$ (490,688) |
| Library Fund | 1,273,507 | 1,333,114 | (59,607) |
| Measure A Fund | 485,257 | 787,114 | (301,857) |
| Barkley Fields Construction Fund | - | 389,230 | (389,230) |
| Other Governmental Funds | 520,401 | 494,423 | 25,978 |
| Total | \$ 6,334,450 | \$ 7,549,854 | \$ (1,215,404) |

Each fund deserves separate comment.

The **General Fund's** Cash and Investments decreased by about 10.8%, or about \$491,000. This was a planned decrease and reflects the Town Council's decision to utilize available fund balances to support a series of one-time activities and special projects. During 2008-09, the General Fund supported: (1) acquisition and installation of a new permit tracking system and a Geographic Information System (GIS) at a cost of \$324,600; (2) purchase of two alternative fuel vehicles for the planning and building programs at a cost of about \$60,000; (3) the design phase for a Water Reclamation Demonstration Project, at a cost of \$22,000; and (4) the services of a contract planner to bolster staff resources in light of the combined demand for professional planning services for current planning and special projects, at a cost of \$76,000.

The Town's **Library Fund** experienced a 4.5%, or roughly \$60,000, decrease in Cash and Investments from June 30, 2008 to June 30, 2009. 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 many of the cities within San Mateo County and the County itself. The County provides the actual direct library services and pays for them from property taxes raised specifically for library purposes within each jurisdiction that hosts a County branch library. The "hosting" jurisdiction owns the building and grounds that support the library function and pays for day-to-day and long-term upkeep and improvement. Pursuant to the terms of the JPA, if more property taxes are raised within a jurisdiction than are needed to provide the direct library services, then the County is to remit the balance of the property taxes to the host jurisdiction, which can use the funds only for library purposes. Unless a major improvement project is undertaken, the Town generally pays about \$75,000 for routine maintenance and receives about \$350,000 in property tax revenues from the County during the fiscal year. As of June 30, 2009, the Town had not received its 2008-09 allocation of library-related property taxes from the County. Although \$350,000 was received in mid-August and was accrued at June 30th, the delay in receipt caused the decrease in the Library Fund's cash position.

The **Measure A Fund** accounts for the Town's share of a county-wide half-cent of sales tax that is dedicated to transportation-related projects. The Town utilizes this revenue for road rehabilitation and maintenance projects. The level of expenditures from this fund varies from year-to-year, depending upon the prioritization of road projects and the results of the public bidding process on these projects. During 2008-09, the Town scheduled an aggressive \$1 million Town-wide road rehabilitation project, combining grant funds, new Road Program revenues, and available fund balances and consciously spending down the cash balance.

The **Barkley Fields and Park Construction Fund's** Cash and Investments decreased by \$389,230, or 100%. This reflects the fact that the park was completed and accepted by the Town Council in July of 2008, all final project expenditures were made, and the fund was closed as of June 30, 2009.

The Town's remaining Special Revenue funds account for \$25,978 of the change in Cash and Investments at June 30, 2009, as is depicted in the next chart.

| Fund | 6/30/2009 | 6/30/2008 | Net Change |
|-----------------------------------|-------------------|-------------------|------------------|
| Traffic Safety | \$ 24,862 | \$ 28,101 | \$ (3,239) |
| Gas Tax | 77,356 | 42,235 | \$ 35,121 |
| Law Enforcement Equipment (CLEEP) | 10,212 | 10,712 | \$ (500) |
| Road Impact Fee | 407,972 | 413,375 | \$ (5,403) |
| Total | \$ 520,402 | \$ 494,423 | \$ 25,979 |

None of these changes are material, with the exception of the Gas Tax Fund, which reflects an increase of \$35,121, or 83.2%. This increase resulted from the receipt during the year of about \$47,000 in State Traffic Congestion Relief funds. The Town did not receive funds from this source in the prior year and did not increase its program expenditures during 2008-09 to a level sufficient enough to expend the full grant amount.

Other Assets includes revenues accrued as of June 30th. For 2008-09, there were two funds with accrued revenues that normally would have been received in cash prior to the end of the fiscal year. The following chart highlights these funds.

| Fund | 6/30/2009 | 6/30/2008 | Change |
|--------------------------|-------------------|-------------------|-------------------|
| General Fund | \$ 487,843 | \$ 429,048 | \$ 58,795 |
| Library Fund | 354,588 | 8,127 | 346,461 |
| Measure A Fund | 16,273 | 25,924 | (9,651) |
| Other Governmental Funds | 107,290 | 7,890 | 99,400 |
| Total | \$ 965,994 | \$ 470,989 | \$ 495,005 |

As was previously discussed, the Library Fund usually receives all of its annual revenues before the end of the fiscal year. Because of timing issues with the billing process between the County Library system and the Town, a \$350,000 remittance was not received as of June 30, 2009, and this amount was accrued at June 30th, becoming a receivable to the Library Fund. The "Other Governmental Funds" category includes the Supplemental Law Enforcement Service Fund (SLESF), which is used to account for the receipt and expenditure of Citizens Option for Public Safety (COPS) Program, a State-funded program. Because of the State's budget issues throughout 2008-09, no funds were released by the State for the program until after the year had ended. In a normal fiscal year, these funds would have been received in the first half of the year, precluding the need to accrue any revenue. In 2008-09, an accrual of about \$94,000 was booked for this fund.

As the following chart illustrates, the increase in **Accounts Payable** of \$51,334 is primarily attributable to the Measure A Fund.

| Fund | 6/30/2009 | 6/30/2008 | Change |
|--------------------------|-------------------|-------------------|------------------|
| General Fund | \$ 164,434 | \$ 143,722 | \$ 20,712 |
| Library Fund | 925 | 970 | (45) |
| Measure A Fund | 46,459 | 5,832 | 40,627 |
| Other Governmental Funds | 550 | 10,510 | (9,960) |
| Total | \$ 212,368 | \$ 161,034 | \$ 51,334 |

A Road Program contractor payment of about \$45,000 was accrued in 2008-09, whereas in 2007-08, no contractor payments were due at June 30th.

Deposits Payable, which decreased by \$395,053 during 2008-09 are comprised of two components. The first component involves deposits of funds that the Town collects from individuals and businesses that undertake development projects in the Town. These deposits are generally charged when the Town requires consultants to be involved in the development review process. Until the charges are made, the unexpended funds on deposit are treated as a Retention Payable. This liability decreased by \$44,011 as of June 30, 2009, reflecting the final expenditure of funds on two major environmental studies and the recognition of the related deposit revenues to cover the costs associated with these studies. The second component of the Deposits Payable involves the recordation of a retention payable in the Barkley Fields and Park Construction Fund at June 30, 2008, in the amount of \$351,041. This retention payable represents payments due to the two contractors who built the park and restroom facility. The retention payments were made to the contractors in September of 2008, removing this liability from the Town's financial statements.

Finally, **Compensated Absences** decreased by \$32,875 during 2008-09. The Town books a liability for the value of personal leave and other accumulated paid time off balances that has been accrued by Town employees. Each year the balance is adjusted to reflect current pay rates and changes in individual employees' balances. The decrease reflected at June 30, 2009, is the result of the resignation of two senior employees and the payout of their leave balances during the year.

During 2008-09, the Town's Governmental Activities were supported by about \$7.5 million in program and general revenues, derived from many sources, as is summarized in the next chart.

**Statement of Activities: Governmental Activities
2008-09 Revenues by Source**

| Source | \$ | % of Total |
|---|---------------------|---------------|
| Program Revenues: | | |
| Charges for services | \$ 1,576,406 | 21.0% |
| Operating grants & contributions | 1,526,941 | 20.4% |
| Total Program Revenues | \$ 3,103,347 | 41.4% |
| General Revenues: | | |
| Property tax | 2,561,811 | 34.1% |
| Sales tax | 404,393 | 5.4% |
| Property transfer tax | 92,912 | 1.2% |
| Franchises | 368,317 | 4.9% |
| Business licenses | 115,874 | 1.5% |
| Interest | 151,213 | 2.0% |
| Other agencies | 637,240 | 8.5% |
| Other income | 23,576 | 0.3% |
| Transfers | 44,611 | 0.6% |
| Total General Revenues & Transfers | \$ 4,399,947 | 58.6% |
| Total Revenues | \$ 7,503,294 | 100.0% |

The "Transfers" category reflects the transfer of \$44,611 in cash from the Proprietary Funds (business-type activities) to the Governmental Funds (governmental activities) to cover administrative overhead charges to the Proprietary Funds, in keeping with the Town Council's Financial Management Policies.

The total revenues for 2008-09 were about \$323,000, or 4.1%, lower than they were in 2007-08, as the following chart depicts.

**Statement of Activities: Governmental Activities
Two-year Comparison of Revenues by Source**

| Source | 2008-09 | 2007-08 | Inc./Dec. (\$) | Inc./Dec. (%) |
|---|---------------------|---------------------|-----------------------|---------------|
| Program Revenues: | | | | |
| Charges for services | \$ 1,576,406 | \$ 1,155,736 | \$ 420,670 | 36.4% |
| Operating grants & contributions | 1,526,941 | 1,239,306 | 287,635 | 23.2% |
| Total Program Revenues | \$ 3,103,347 | \$ 2,395,042 | \$ 708,305 | 29.6% |
| General Revenues: | | | | |
| Property tax | 2,561,811 | 2,423,454 | 138,357 | 5.7% |
| Sales tax | 404,393 | 390,070 | 14,323 | 3.7% |
| Property transfer tax | 92,912 | 153,762 | (60,850) | -39.6% |
| Franchises | 368,317 | 312,431 | 55,886 | 17.9% |
| Business licenses | 115,874 | 123,652 | (7,778) | -6.3% |
| Interest | 151,213 | 298,495 | (147,282) | -49.3% |
| Other agencies | 637,240 | 667,813 | (30,573) | -4.6% |
| Other income | 23,576 | 843,473 | (819,897) | -97.2% |
| Transfers | 44,611 | 218,312 | (173,701) | -79.6% |
| Total General Revenues & Transfers | \$ 4,399,947 | \$ 5,431,462 | \$ (1,031,515) | -19.0% |
| Total Revenues | \$ 7,503,294 | \$ 7,826,504 | \$ (323,210) | -4.1% |

There are several sources of revenue that contribute to this decrease. Program Revenues were \$708,000, or 29.6%, higher in 2008-09 than in the prior year. Two factors caused this increase: (1) the Town received \$400,000 in State Proposition 1B funds for road projects in 2008-09, a one-time occurrence, and (2) the Town received about \$257,000 in prior years' attorney fees through a court-supervised code enforcement settlement. General Revenues and Transfers decreased by just over \$1 million, or 19%. The largest factors contributing to this decrease involve Other Income and Transfers. As the chart depicts, Other Income decreased by almost \$820,000, or 97.2%. Most of this decrease is attributable to the Barkley Fields and Park Construction Fund and reflects the fact that about \$662,000 in contributions from private donors was received in 2007-08 in support of the project. The park was completed at the end of last fiscal year, all final construction expenses were paid early in the current fiscal year, and no additional private contributions were made. The decrease in Transfers of about \$174,000, or 79.6%, is also related to the Barkley Fields and Park project. In 2007-08, a one-time transfer of \$175,000 was made from the Sewer Enterprise Funds to the Barkley Fields and Park Construction Fund to support the construction of public sewer facilities on the park site and in the adjoining road right-of-way.

Changes in other revenues sources are discussed in detail in the discussion that accompanies the Fund Financial Statements, later in this MD&A.

The programs reported as Governmental Activities include all the basic areas of Town government, such as administration, planning, public works, safety services, library services, buildings and grounds, trails maintenance, recreation, and town-wide overhead. Because changes in net assets are incorporated into the Statement of Activities, the expenses reported in this statement include such things as annual depreciation of capital assets and increases in the balance of compensated absences, and exclude funds expended on capital outlays. For example, in the Fund Financial Statements for the Governmental Funds, the Administration and Finance Program reflects an expenditure of \$1,134,283 for 2008-09. This same program reflects total expenses of \$1,133,373 in the next chart, which is taken from the Statement of Activities. The \$910 difference is annual depreciation expense of \$4,509 and an increase in compensated absence balances of \$5,419. These items, treated in the Fund Financial Statements as adjustments to balance sheet accounts, are incorporated into the total activity for this program area in the Statement of Activities. A full reconciliation of these statements is included in the Basic Financial Statements.

**Statement of Activities: Governmental Activities
2008-09 Expenses by Program**

| Program | Total Expense | % of Total |
|--------------------------------|---------------------|---------------|
| Town Council | \$ 29,701 | 0.4% |
| Administration & Finance | 1,133,373 | 15.0% |
| Planning & Building Regulation | 1,945,639 | 25.7% |
| Buildings & Grounds | 275,896 | 3.6% |
| Town-wide Overhead | 364,871 | 4.8% |
| Safety Services | 1,202,667 | 15.9% |
| Trails & Stables | 38,449 | 0.5% |
| Library Services | 82,067 | 1.1% |
| Public Works | 2,223,291 | 29.3% |
| Recreation & Open Space | 284,120 | 3.7% |
| Total | \$ 7,580,074 | 100.0% |

Program expenditures for the Governmental Activities were \$1,092,452, or 16.8%, higher in 2008-09 than they were in 2007-08, as the next chart demonstrates. A discussion of program expenditures for the year and their comparison to 2007-08 is included later in this MD&A.

**Statement of Activities: Governmental Activities
Two-year Comparison of Expenses by Program**

| Program | 2008-09 | 2007-08 | Inc./Dec. (\$) | Inc./Dec. (%) |
|--------------------------------|---------------------|---------------------|---------------------|---------------|
| Town Council | \$ 29,701 | \$ 45,730 | \$ (16,029) | -35.1% |
| Administration & Finance | 1,133,373 | 1,041,295 | 92,078 | 8.8% |
| Planning & Building Regulation | 1,945,639 | 1,746,487 | 199,152 | 11.4% |
| Buildings & Grounds | 275,896 | 160,605 | 115,291 | 71.8% |
| Town-wide Overhead | 364,871 | 425,371 | (60,500) | -14.2% |
| Safety Services | 1,202,667 | 1,145,950 | 56,717 | 4.9% |
| Trails & Stables | 38,449 | 43,667 | (5,218) | -11.9% |
| Library Services | 82,067 | 64,207 | 17,860 | 27.8% |
| Public Works | 2,223,291 | 1,499,846 | 723,445 | 48.2% |
| Recreation & Open Space | 284,120 | 314,464 | (30,344) | -9.6% |
| Total | \$ 7,580,074 | \$ 6,487,622 | \$ 1,092,452 | 16.8% |

The negative change in net assets from 2007-08 to 2008-09 of \$76,780 reported and discussed earlier, is equal to the difference between the total revenues of \$7,503,294 and total expenses of \$7,580,074 that are reflected in the Statement of Activities for Governmental Activities.

Business-type Activities for the Town are limited to its Sewer Service Enterprise Funds.

**Statement of Assets: Business-type Activities
Two-year Comparison of Net Assets at June 30**

| | 2008-09 | 2007-08 | Inc./Dec. |
|----------------------------|---------------------|---------------------|--------------------|
| Cash & Investments | \$ 837,844 | \$ 821,026 | \$ 16,818 |
| Other Assets | 51,007 | 71,526 | (20,519) |
| Capital Assets | 1,078,005 | 1,170,831 | (92,826) |
| Total Assets | \$ 1,966,856 | \$ 2,063,383 | \$ (96,527) |
| Accounts Payable | 2,396 | 1,954 | 442 |
| Deferred Revenue | 43,785 | 61,292 | (17,507) |
| Total Liabilities | \$ 46,181 | \$ 63,246 | \$ (17,065) |
| Net Assets: | | | |
| Invested in capital assets | 1,078,005 | 1,170,831 | (92,826) |
| Unrestricted | 842,670 | 829,306 | 13,364 |
| Net Total Assets | \$ 1,920,675 | \$ 2,000,137 | \$ (79,462) |

As is reported in the Statement of Activities, the change in net assets for the Town's Business-type Activities as of June 30, 2009, was a decrease of \$79,462. The following table outlines the components of this decrease.

| Business-type Activities | | | |
|--|--------------------|---------------------|-------------------|
| Two-year Comparison of Change in Net Assets | | | |
| | 2008-09 | 2007-08 | Inc./Dec. |
| Expenses | \$ 291,803 | \$ 255,693 | \$ 36,110 |
| Program Revenues: | | | |
| Charges for services | 238,250 | 197,465 | 40,785 |
| Net Revenue (Expense) | \$ (53,553) | \$ (58,228) | \$ 4,675 |
| General Revenues: | | | |
| Interest | \$ 18,702 | \$ 41,341 | (22,639) |
| Transfers | (44,611) | (218,312) | 173,701 |
| Total General Revenue and Transfers | \$ (25,909) | \$ (176,971) | \$ 151,062 |
| Change in Net Assets | (79,462) | (235,199) | 155,737 |

The "Transfers" of \$44,611 is the aforementioned overhead cost reimbursement to the Town's General Fund.

FUND FINANCIAL STATEMENTS

Performance of Governmental Funds

The Net Assets of the Town's Governmental Funds at June 30, 2009, were about \$21.6 million, which is the total of ending fund balances, plus capital assets, and less long-term commitments. The following chart provides an overview of these Net Assets.

| Governmental Funds | Total Assets | Total Liabilities | Fund Balance/ Net Assets |
|---|---------------------|---------------------|-----------------------------|
| General Fund | \$ 4,643,154 | \$ 1,590,330 | \$ 3,052,824 |
| Library Operations Fund | 1,628,095 | 925 | 1,627,170 |
| Measure A Fund | 501,530 | 46,459 | 455,071 |
| Barkley Fields & Park Construction Fund | - | - | - |
| Other Governmental Funds | 627,692 | 100,577 | 527,115 |
| Subtotal | \$ 7,400,471 | \$ 1,738,291 | \$ 5,662,180 |
| Capital Assets | | | 16,267,307 |
| Non-current Portion of Compensated Absences | | | (285,475) |
| Total Net Assets | | | \$ 21,644,012 |

Total Net Assets decreased by just under \$100,000, or .35%, as is highlighted in the following chart.

| Governmental Funds | 2008-09 | 2007-08 | Inc./Dec. (\$) | Inc./Dec. (%) |
|---|----------------------|----------------------|---------------------|------------------|
| Total Assets | \$ 7,400,471 | \$ 8,020,870 | \$ (620,399) | -7.73% |
| Total Liabilities | 1,738,291 | 1,630,969 | 107,322 | 6.58% |
| Fund Balance/Net Assets | \$ 5,662,180 | \$ 6,389,901 | \$ (727,721) | -11.39% |
| Capital Assets | 16,267,307 | 16,000,282 | 267,025 | 1.67% |
| Non-current Portion of Compensated Absences | (285,475) | (318,350) | 32,875 | -10.33% |
| Retention Payables Adjustment | - | (351,041) | 351,041 | --- |
| Total Net Assets | \$ 21,644,012 | \$ 21,720,792 | \$ (76,780) | -0.35% |

The combined fund balances of \$5,662,180 from the various Governmental Funds comprise about 26.1% of Total Net Assets at June 30, 2009. These fund balances decreased by \$727,721, or 11.4%, during 2008-09. The following summary of the Statement of Revenues, Expenditures, and Changes in Fund Balance for the Governmental Funds illustrates the details of this net decrease.

**Governmental Funds
Net Change in Fund Balances at June 30, 2009**

| Governmental Funds | Total Revenues | Total Expenditures | Excess/(Def.) of Revenues | Other Financing Sources/ (Uses) | Net Change in Fund Balance |
|---|-------------------|-----------------------|---------------------------------|---------------------------------------|----------------------------------|
| General | \$ 5,809,832 | \$ 5,791,675 | \$ 18,157 | \$ (326,751) | \$ (308,594) |
| Library Operations Fund | 377,986 | 82,292 | 295,694 | (8,795) | 286,899 |
| Measure A Fund | 641,559 | 1,421,594 | (780,035) | 427,900 | (352,135) |
| Barkley Fields & Park Construction Fund | - | 413,587 | (413,587) | 24,357 | (389,230) |
| Other Governmental Funds | 629,306 | 521,867 | 107,439 | (72,100) | 35,339 |
| Subtotal | \$ 7,458,683 | \$ 8,231,015 | \$ (772,332) | \$ 44,611 | \$ (727,721) |
| Beginning Fund Balances | | | | | 6,389,901 |
| Ending Fund Balances | | | | | \$ 5,662,180 |

The following chart provides a comparison of the components that made up the net change in fund balances for the Governmental Funds for 2008-09 and 2007-08.

Two-year Comparison of Net Change in Fund Balances - Governmental Funds

| Governmental Funds | 2008-09 | 2007-08 | Inc./Dec. (\$) | Inc./Dec. (%) |
|----------------------------------|--------------|--------------|-------------------|------------------|
| Total Revenues | \$ 7,458,683 | \$ 7,608,192 | \$ (149,509) | -1.97% |
| Total Expenditures | 8,231,015 | 7,959,233 | 271,782 | 3.41% |
| Excess/ (Deficiency) of Revenues | \$ (772,332) | \$ (351,041) | \$ (421,291) | 120.01% |
| Other Financing Sources/ (Uses) | 44,611 | 218,312 | (173,701) | -79.57% |
| Net Change in Fund Balance | \$ (727,721) | \$ (132,729) | \$ (594,992) | 448.28% |
| Beginning Fund Balance | 6,389,901 | 6,522,630 | (132,729) | -2.03% |
| Ending Fund Balance | \$ 5,662,180 | \$ 6,389,901 | \$ (727,721) | 11.39% |

The following discussion provides a focused analysis of the performance of the Town's Governmental Funds by examining the four Major Funds.

▣ **General Fund**

The General Fund accounts for financial resources traditionally associated with government activities that are not legally required to be accounted for in another fund.

2008-09 General Fund Performance

| | |
|-------------------------------------|--------------|
| Revenues | \$ 5,809,832 |
| Expenditures | 5,791,675 |
| Excess of Revenues | \$ 18,157 |
| Other Financing Sources (Uses) | |
| Transfers In | 197,606 |
| Transfers Out | (524,357) |
| Net Other Sources | \$ (326,751) |
| Increase (Decrease) to Fund Balance | (308,594) |
| Beginning Fund Balance | 3,361,418 |
| Ending Fund Balance | \$ 3,052,824 |

The General Fund ended the 2008-09 fiscal year with a fund balance of \$3,052,824, about \$309,000 less than the \$3.4 million on hand at June 30, 2008. This decrease resulted from the net impact of the fund's financial performance for the fiscal year, as summarized in the foregoing chart.

The Town continued to experience solid revenue receipt patterns during 2008-09. The following charts illustrate 2008-09 revenue performance contrasted with 2007-08 results of operation and 2008-09 revenue performance compared with budgetary expectations for the fiscal year.

Two-year Comparison of General Fund Revenues

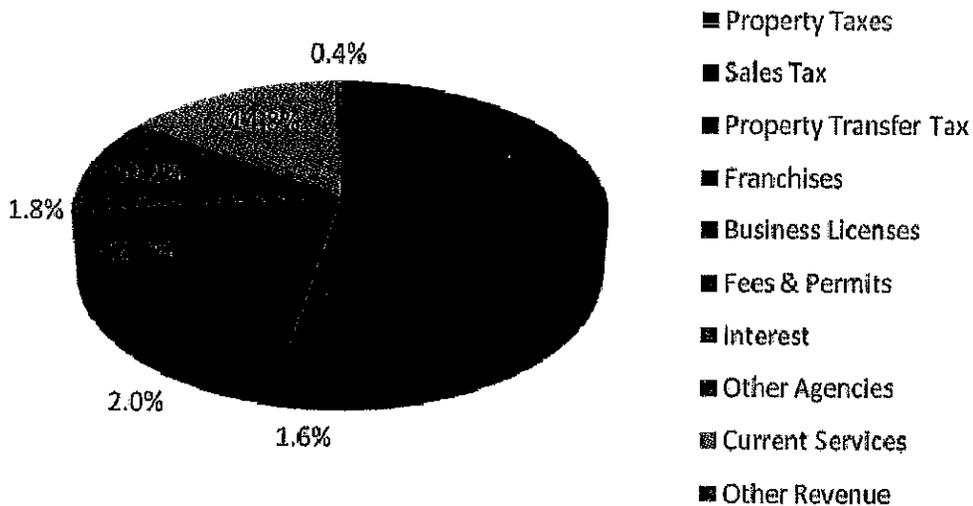
| Category | 2008-09 | 2007-08 | Inc. (Dec.) \$ | Inc. (Dec.) % |
|-----------------------|---------------------|---------------------|-------------------|---------------|
| Property Taxes | \$ 2,561,811 | \$ 2,423,454 | \$ 138,357 | 5.7% |
| Sales Tax | 404,393 | 407,021 | (2,628) | -0.6% |
| Property Transfer Tax | 92,912 | 153,762 | (60,850) | -39.6% |
| Franchises | 368,317 | 312,431 | 55,886 | 17.9% |
| Business Licenses | 115,874 | 123,652 | (7,778) | -6.3% |
| Fees & Permits | 696,914 | 863,318 | (166,404) | -19.3% |
| Interest | 102,088 | 216,556 | (114,468) | -52.9% |
| Other Agencies | 589,563 | 585,740 | 3,823 | 0.7% |
| Current Services | 852,642 | 500,839 | 351,803 | 70.2% |
| Other Revenue | 25,318 | 20,143 | 5,175 | 25.7% |
| Total Revenues | \$ 5,809,832 | \$ 5,606,916 | \$ 202,916 | 3.6% |

The General Fund recognized total revenues of \$5,809,832 in 2008-09, as compared with \$5,606,916 in 2007-08. This reflects a 3.6%, or about \$203,000, increase.

2008-09 General Fund Revenues: Budget vs. Actual

| Category | 2008-09 | | Over/(Under) \$ | Over/(Under) % |
|-----------------------|---------------------|---------------------|-------------------|----------------|
| | Budget | Actual | | |
| Property Taxes | \$ 2,395,050 | \$ 2,561,811 | \$ 166,761 | 7.0% |
| Sales Tax | 407,200 | 404,393 | (2,807) | -0.7% |
| Property Transfer Tax | 130,000 | 92,912 | (37,088) | -28.5% |
| Franchises | 305,100 | 368,317 | 63,217 | 20.7% |
| Business Licenses | 136,000 | 115,874 | (20,126) | -14.8% |
| Fees & Permits | 750,000 | 696,914 | (53,086) | -7.1% |
| Interest | 176,000 | 102,088 | (73,912) | -42.0% |
| Other Agencies | 580,000 | 589,563 | 9,563 | 1.6% |
| Current Services | 390,900 | 852,642 | 461,742 | 118.1% |
| Other Revenue | 18,000 | 25,318 | 7,318 | 40.7% |
| Total Revenues | \$ 5,288,250 | \$ 5,809,832 | \$ 521,582 | 9.9% |

Total General Fund revenues for 2008-09 were 9.9%, or about \$521,500, above the budgeted level. The following chart provides a depiction of the proportional contribution each category of revenue made to the General Fund in 2008-09.

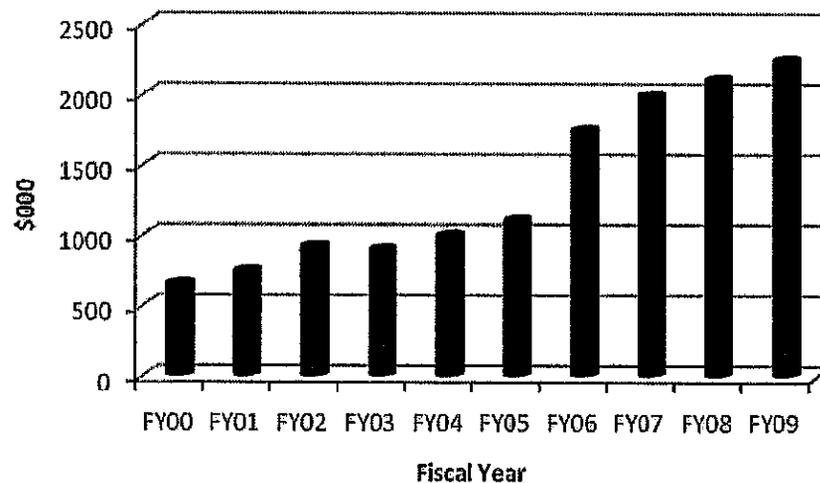


The foregoing charts invite focused discussion of several of the General Fund's revenue sources:

- ☑ **Property Taxes** are usually the General Fund's largest revenue source and in 2008-09, they comprised about forty-four percent of revenues received for the fiscal year. As the second chart demonstrates, property taxes exceeded budgetary expectations by 7%, or \$166,761. Property tax performance continued to be strong.

The most useful analysis of property taxes is derived by analyzing the change in the pattern of receipt of only current secured property taxes, which do not reflect one-time or prior year adjustments. The following chart shows how revenues from secured property taxes have grown over the last ten years, from about \$653,000 in 1999-2000 to \$2.24 million in 2008-09. The chart reflects the Town's receipt beginning in 2005-06 of ongoing Tax Equity Allocation revenues, which increased the current secured property tax base by about \$500,000 a year.

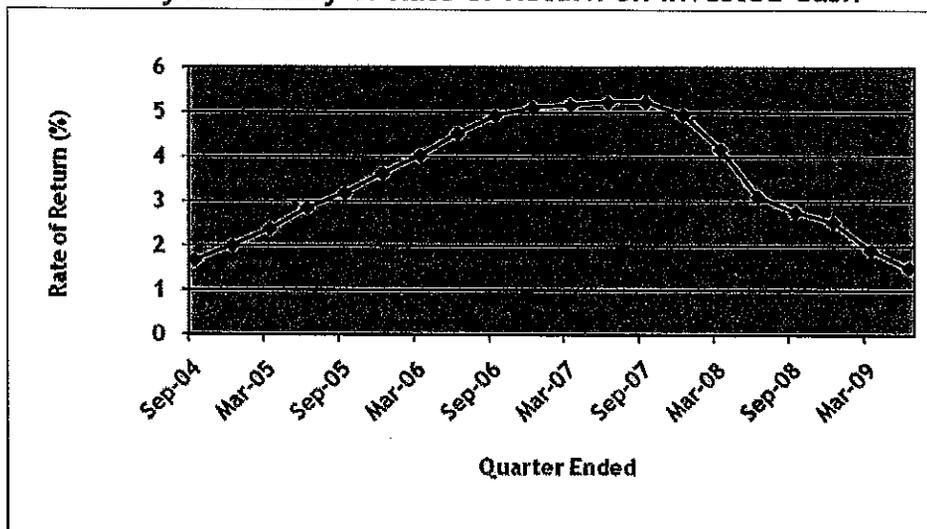
Ten-year History of Secured Property Tax Receipts



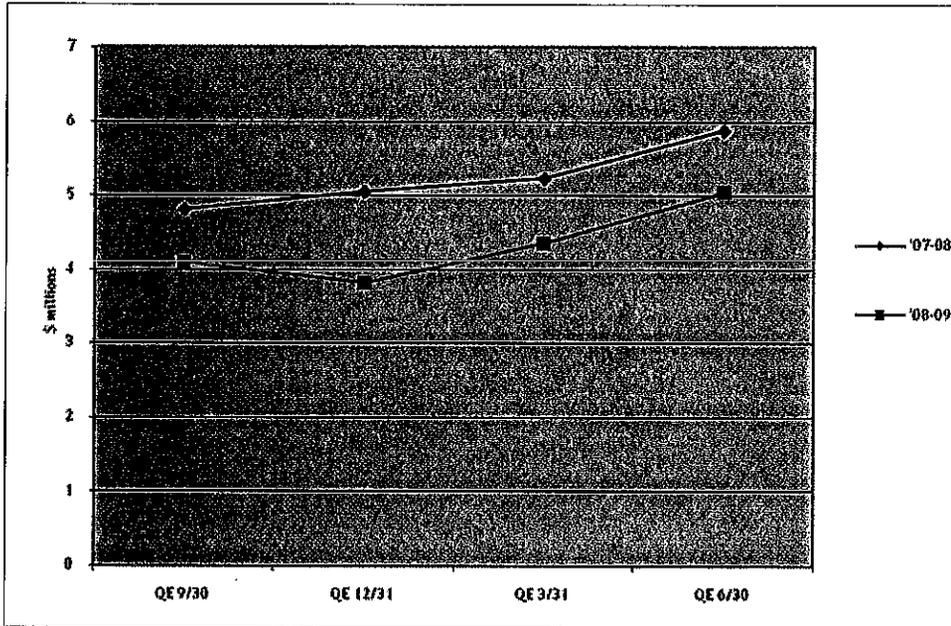
☑ **Interest Income** came in at 42%, or about \$74,000, below the budgeted level. Compared to 2007-08, interest earnings were down 52.9%, or about \$115,000. One key aspect of the decrease was the continuing deterioration of the rate of return on invested idle cash. The average rate of return in 2007-08 was 4.37%, as compared with 2.18% in 2008-09. The first of the two charts that follow provides a snapshot of the rate of return for each quarter during the last five fiscal years. The 1.51% rate of return at June, 30, 2009, is the lowest it has been in the last five years. The Town invests solely in the Local Agency Investment Fund (LAIF). The rate of return that the Town earns is driven by the performance of the LAIF portfolio.

A second factor that impacts the Town's interest income is the amount of idle cash it has on hand to invest. The second of the two charts that follow compares idle General Fund cash for each quarter in 2008-09 as compared with 2007-08. Throughout the course of the year, the General Fund had less cash on hand than in the previous year. These two factors together led to the decrease in investment earnings for 2008-09.

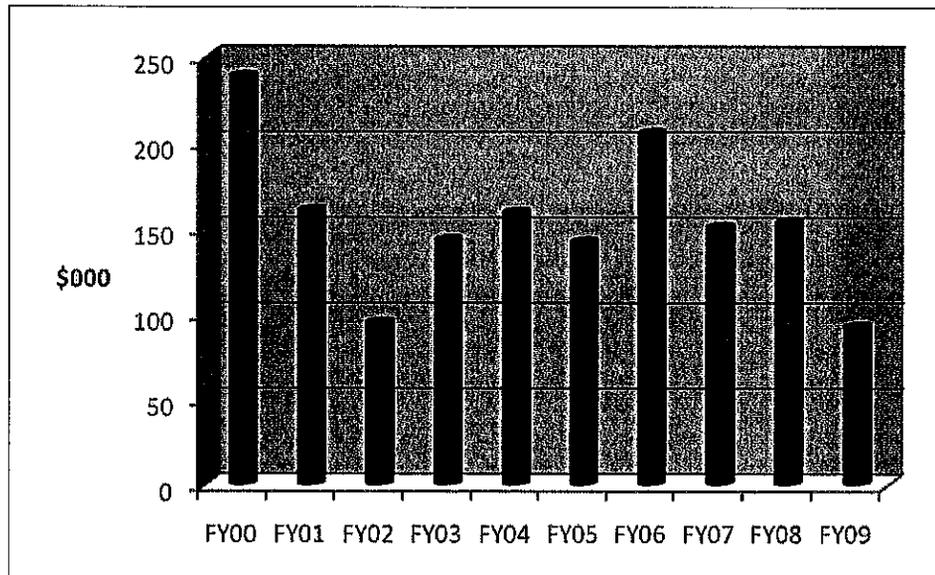
Five-year History of Rate of Return on Invested Cash



General Fund Idle Cash: 2007-08 and 2008-09



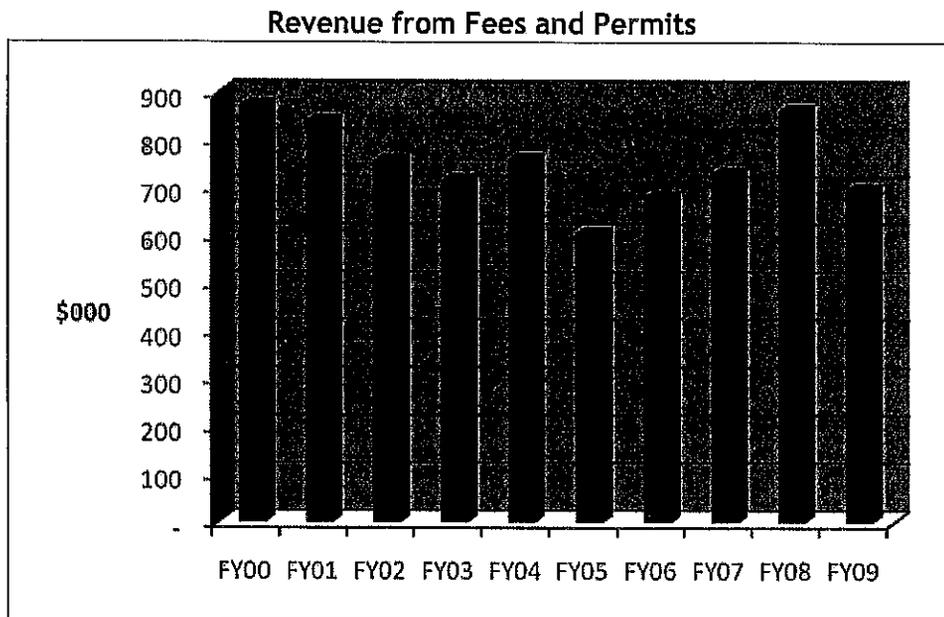
☑ **Property Transfer Taxes** also decreased substantially in 2008-09, with \$92,912 received in 2008-09 versus \$153,762 received in 2007-08, a 39.6% decrease. These taxes underperformed the budgeted level in 2008-09 by about \$37,000, or 28.5%. This tax is assessed at the time that property is sold and is based upon the sales price of the real property. Receipt patterns are subject to the forces and whims of the real estate market. The following chart demonstrates the ups and downs of this revenue source for the last ten years.



Property transfer taxes are a source that is sensitive to the condition of the economy and which can fluctuate widely depending upon which properties in Town are bought and sold. Revenues in 2008-09 were the lowest in the ten year period, falling just below the 2001-02 revenues of about \$95,200. The high over the period was in 1999-2000 when the Town received just over \$239,000. The Town receives 65¢ for every \$1,000 of sales price valuation, or \$650 per \$1,000,000. This

means that about \$143 million of property traded hands in 2008-09, while \$237 million did so in 2007-08. Given Woodside's real estate market, it can take only the sale of a few additional properties to dramatically impact the performance of this revenue source.

- ☑ **Fees and Permits** decreased by \$166,405 in 2008-09, a decline of 19.3%. Revenues from this source fell short of the budgeted level by over \$53,000, or 7.1%. As with Property Transfer Taxes, this source of funds is very sensitive to economic conditions and fluctuates from year-to-year in a fairly unpredictable manner. The following chart provides receipt history for the last ten years and demonstrates the ever-shifting pattern for this source, which is primarily comprised of fees for development-related activities.



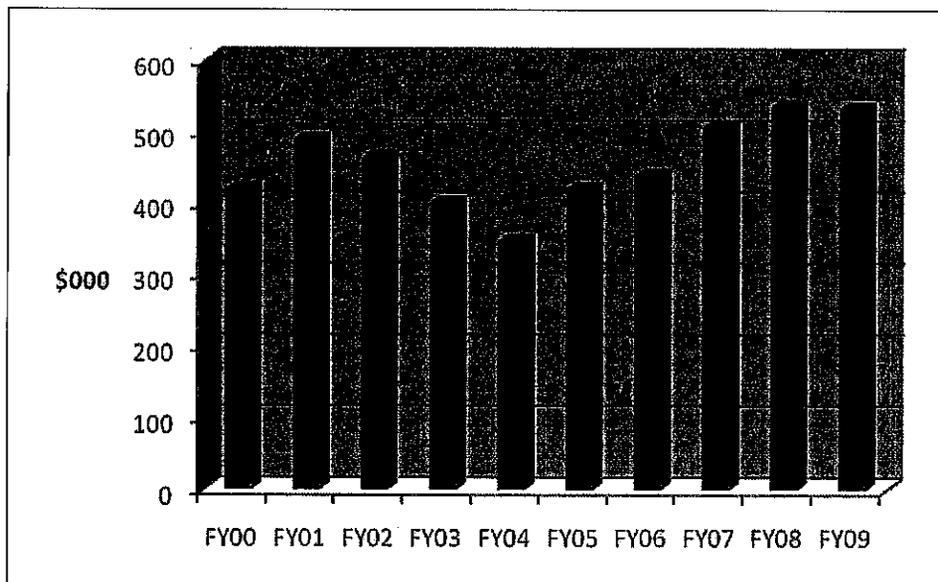
Fees and permit revenues are impacted by two factors: (1) the level of development activity and (2) the type of development activity. These factors must be considered together. For example, the level of activity may be very high, with several hundred permit applications submitted. If all of these applications are for new roofs or water heater replacements, revenues will not be very robust, as the value of such work is not very high. On the other hand, a couple dozen applications for new residences or for major additions to existing residences could cause revenues to skyrocket, as such projects are usually of very high value and permit fees are based upon valuation, as a rule. Thus, the level and nature of development activity tend to be cyclical and notable variations between years are common.

- ☑ **Sales Tax** revenues experienced a 0.6%, or \$2,628, decrease from the prior year's level and came in under 2008-09 budget levels by 0.7%, or about \$2,800. Since 2004-05, it has been necessary when analyzing the performance of this revenue source to take into account the impact of the State's "Triple Flip" formula. In 2004, the State received voter approval to issue \$15 billion in deficit reduction bonds. Included in the bond measure was a mechanism for securing a dedicated revenue stream to pay off the bonds over time. A dedicated revenue stream is preferable to those who buy such bonds and can reduce the cost of the issuance. The State's dedicated revenue stream was derived from the "Triple Flip" that was

instituted during 2004-05. The Triple Flip has three prongs. First, the State diverts ¼¢ of local sales tax (which equals twenty-five percent of local sales taxes) to pay for the debt service on the bonds. Next, the State diverts an equal amount from school district property taxes to local governments to make them whole. Finally, an equal amount of State general fund monies is redirected to the schools to likewise make them whole.

The impact of the Triple Flip in 2008-09 was the shift of \$130,076 in Town sales tax receipts to the State. This means, in effect, that the Town's actual sales tax receipts for the year were \$534,469. In 2007-08, the State diverted \$129,994 from the Town, which means that actual sales taxes that year were \$537,015. Sales tax revenues were essentially flat over the last two years.

The following chart illustrates the Town's sales tax receipts for the last ten years, "normalized" to include the portion of sales taxes shifted to the State.



Current Services

Revenues for Current Services increased in 2008-09 from the 2007-08 level by about \$352,000, or 70.2%. This is primarily the result of two factors: (1) because the Town undertook environmental and legal review for one development application during 2008-09, about \$131,000 more in deposit fees was recognized during 2008-09 than had been recognized in the previous year; and (2) the Town received extraordinary miscellaneous revenue of about \$257,000 for a code enforcement settlement. These two items account for the two-year difference.

The 2008-09 revenues of \$852,642 exceeded budgetary expectations by about \$462,000, or 118.1%. This primarily reflects the two previously discussed items: (1) the increase in development deposit fees attributable to a major development application and (2) the payment received in conjunction with a code enforcement settlement. Current services revenues can vary widely from year-to-year, depending largely upon unusual or unpredictable influences and activities that impact the Town.

Other Agencies

The Town receives revenues from other governmental agencies, primarily the State of California. In 2008-09, the Town received \$589,563 from this source. This was nearly \$4,000 more than it received in 2007-08 and nearly \$10,000 more than was included in the 2008-09 budget. These variances are attributable almost entirely to one State revenue: the Triple Flip reimbursement. As was discussed in the section on Sales Taxes, the State of California has been shifting 25% of local sales tax revenues to its own coffers since 2004-05 to provide a revenue stream for retiring deficit reduction bonds approved by the voters in 2004. The State is supposed to make local agencies whole by shifting an equal amount from its General Fund back to the local agencies. The State bases its Triple Flip payments on its own annual estimates of local sales taxes. Unfortunately, these estimates vary from the actual receipts and the State is constantly attempting to address the difference between what it takes and what it gives back. The following chart summarizes the net position for the Town of Woodside after five fiscal years of dealing with the Triple Flip.

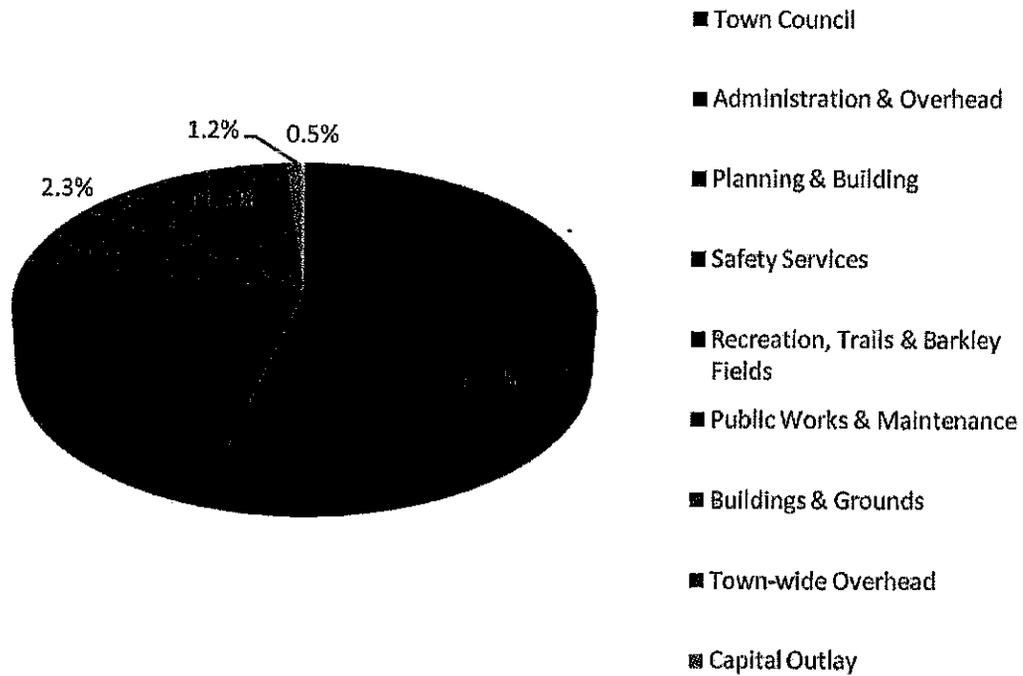
| Fiscal Year | To State | From State | Difference |
|--------------------|-------------------|-------------------|-------------------|
| 2004-05 | \$ 82,775 | \$ 74,609 | \$ (8,166) |
| 2005-06 | 104,388 | 112,630 | \$ 8,242 |
| 2006-07 | 123,550 | 105,370 | \$ (18,180) |
| 2007-08 | 129,994 | 145,736 | \$ 15,742 |
| 2008-09 | 130,076 | 140,587 | \$ 10,511 |
| Total | \$ 570,783 | \$ 578,932 | \$ 8,149 |

As the table illustrates, the State attempts to make the Town whole in the fiscal year following an underpayment. After five years, the Town is in a positive position of \$8,149. This process makes estimating revenue from the Triple Flip in any given year very difficult and leads to the variances discussed above.

In summary, General Fund revenues performed adequately during 2008-09, with revenues exceeding 2007-08 actual receipts and 2008-09 budgeted levels.

General Fund expenditures totaled \$5,791,675 in 2008-09, an increase of 16.1%, or \$804,488, from 2007-08, and \$834, or 0.01%, above the 2008-09 budgeted level.

The following chart provides an illustration of how the total expenditures for 2008-09 were categorized by department or program.



The following charts depict the differences between 2008-09 and 2007-08 and the budget versus actual for 2008-09.

| Two-year Comparison of General Fund Expenditures | | | | |
|--|---------------------|---------------------|-------------------|---------------|
| | 2008-09 | 2007-08 | Inc. (Dec.) \$ | Inc. (Dec.) % |
| Town Council | \$ 29,701 | \$ 45,730 | \$ (16,029) | -35.1% |
| Administration & Finance | 1,134,283 | 1,047,868 | 86,415 | 8.2% |
| Planning & Building Regulation | 1,948,974 | 1,768,035 | 180,939 | 10.2% |
| Buildings & Grounds | 134,742 | 104,600 | 30,142 | 28.8% |
| Town-wide Overhead | 664,907 | 406,628 | 258,279 | 63.5% |
| Safety Services | 1,093,294 | 1,036,578 | 56,716 | 5.5% |
| Trails & Stables | 38,449 | 43,667 | (5,218) | -11.9% |
| Public Works | 395,803 | 318,231 | 77,572 | 24.4% |
| Recreation & Open Space | 284,120 | 188,236 | 95,884 | 50.9% |
| Capital Outlay | 67,402 | 27,614 | 39,788 | 144.1% |
| Total Expenditures | \$ 5,791,675 | \$ 4,987,187 | \$ 804,488 | 16.1% |

2008-09 General Fund Expenditures: Budget vs. Actual

| | 2008-09 Budget | 2008-09 Actual | Over/(Under) \$ | Over/(Under) % |
|--------------------------------|---------------------|---------------------|--------------------|-------------------|
| Town Council | \$ 24,000 | \$ 29,701 | \$ 5,701 | 23.8% |
| Administration & Finance | 1,171,090 | 1,134,283 | (36,807) | -3.1% |
| Planning & Building Regulation | 1,720,575 | 1,948,974 | 228,399 | 13.3% |
| Buildings & Grounds | 141,355 | 134,742 | (6,613) | -4.7% |
| Town-wide Overhead | 566,810 | 664,907 | 98,097 | 17.3% |
| Safety Services | 1,106,626 | 1,093,294 | (13,332) | -1.2% |
| Trails & Stables | 39,440 | 38,449 | (991) | -2.5% |
| Public Works | 457,526 | 395,803 | (61,723) | -13.5% |
| Recreation & Open Space | 287,550 | 284,120 | (3,430) | -1.2% |
| Capital Outlay | 275,869 | 67,402 | (208,467) | -75.6% |
| Total Expenditures | \$ 5,790,841 | \$ 5,791,675 | \$ 834 | 0.0% |

The Town Council Department expended about \$16,000 less in 2008-09 than it did during 2007-08. This is the result of several factors: (1) Municipal Elections are held in the odd numbered years and one was held in November of 2007, at a cost of \$13,000; (2) the Town's Environment Fest is held every other fiscal year and occurred in April of 2008, at a cost of about \$6,000. Neither of these costs was incurred during 2008-09. These reductions were offset by the increased cost of annual membership dues and regular events, including the Volunteer Reception. These higher costs accounts for the department's budget being exceeded by \$5,700 for the 2008-09 fiscal year.

Expenditures for the Administration and Finance program area increased by \$86,415 from 2007-08. This 8.2% increase is primarily attributable to the full year cost of the Assistant Town Manager, which cost an additional \$85,000 for the full year versus the five months that the position was filled during 2007-08. The department underexpended its 2008-09 budget by about \$37,000, or 3.1%. Spending for the Town Attorney and professional services were \$17,000 and \$18,000 below budgeted levels, respectively, which accounts for the budget savings.

Planning and Building Regulation program costs increased by \$180,939 or 10.2%. The main reason for this increase was the increase of about \$179,000 in expenditures for professional services for the preparation of California Environmental Quality Act (CEQA) documents, the largest share of which went to preparing an addendum to an Environmental Impact Report for the Jackling Estate Demolition Permit Application. The department overspent its 2008-09 budget by \$228,399, or 13.3%. The cost for outside plan check services exceeded budgeted amounts by about \$97,500, the result of a change in the timing of payment to the plan check firm, which resulted in a one-time "catch-up payment" for services provided in prior years but not billed until projects were completed. These services are now billed as they are rendered. The expenditures for development review supported by applicant deposits, including the Jackling Estate project mentioned above, exceed budgeted levels by about \$131,000. These factors account for the over-expenditure for this department.

Expenditures for the Buildings and Grounds Department increased by \$30,142, or 28.8%, during 2008-09. Expenses for professional services increased about \$22,000 as the Town conducted engineering studies for a Town Hall Water Reclamation Demonstration Project during the year. Additionally, the floors inside Town Hall were refinished during 2008-09 at a cost of about \$5,000 and the Town engaged the services of a space planner for Town Hall at a cost of about \$5,000. Neither of these activities occurred during 2007-08. The department underexpended its 2008-09 budget by \$6,613, or 4.7%. The main reason for the budget savings is that the Town spent about \$5,000 less on maintenance services during the year than in 2007-08.

Town-wide Overhead increased by \$258,279 or 63.5%, from the 2007-08 level. This cost increase is primarily attributable to the purchase and implementation of a new permit tracking system, Trakit, at a cost of \$248,500 plus the services of the Town's contract Information Technology coordinator. This departmental budget was overexpended by about \$98,000, or 17.3%, during 2008-09, which was largely the result of the implementation of Trakit.

Safety Services increased by \$56,716, or 5.5%. This difference is totally attributable to the increased cost of the Town's Agreement for Police Services with the County of San Mateo, as specified in that agreement. The 2008-09 expenditures were 1.2% less than the budgeted level.

Expenditures for Trails and Stables decreased by \$5,218 or 11.9%, during 2008-09. This reduction is attributable to the purchase of fewer materials and supplies for trail maintenance during 2008-09. As a result of these fewer purchases, the 2008-09 budget was underexpended by \$991, or 2.5%.

The Public Works program area experienced an increase in expenditures of \$77,572, or 24.4% in 2008-09 over 2007-08 levels. There are two primary reasons for the increase: (1) about \$52,000 represents the full year cost of a contract Development Services Engineer that the Town began using three days a week in February 2008; (2) about \$37,000 is attributable to the Deputy Town Engineer, who had been included in the Planning and Building department in 2007-08. The full cost of the Deputy Town Engineer position is approximately \$180,000. However, only 40%, or about \$72,000 is charged to the General Fund, with the balance of the position charged to the Road Impact and Measure A Funds due to his support of these programs. The cost of the Deputy Town Engineer is offset by the reduction of about \$35,000 that resulted in the brief overlap of the retiring and the new Town Engineer in 2007-08. The department expenditures came in at \$61,723, or 13.5%, below budgeted levels for 2008-09. This under-expenditure is primarily attributable to the difference between the budgeted, but vacant, Development Services Engineer position at a cost of about \$145,000, and the \$90,000 cost of the contract Development Services Engineer.

Finally, the Recreation and Open Space program area required about \$96,000 more in 2008-09 than it did in 2007-08. This was the first year that Barkley Fields and Park was open for a full year, and the \$96,000 increase is explained by the true annual cost of operating the Park. Expenditures for the Recreation and Open Space program area were \$3,430, or 1.2%, below budgeted levels for the year.

As the results of operation for 2008-09 demonstrate, the Town's General Fund continues to be well positioned to cushion future operations from the effects of unforeseen circumstances and activities.

▫ Measure A Fund

The Measure A Fund is a special revenue fund that accounts for the Town's share of the proceeds of a county-wide half cent sales tax for transportation-related projects, such as road repair and maintenance. During 2008-09, the fund experienced a decrease in fund balance of just over \$352,000.

| | |
|--------------------------------|---------------------|
| Revenues | \$ 641,559 |
| Expenditures | 1,421,594 |
| Excess of Expenditures | \$ (780,035) |
| Other Financing Sources (Uses) | |
| Transfers In | 500,000 |
| Transfers Out | (72,100) |
| Net Other sources | \$ 427,900 |
| Decrease to Fund Balance | (352,135) |
| Beginning Fund Balance | 807,206 |
| Ending Fund Balance | \$ 455,071 |

The Measure A Fund supports the Town's annual Road Program. A \$500,000 contribution is made every year from the General Fund to the Measure A Fund to supplement the funds available for road rehabilitation work. During 2008-09, the Town also received a one-time allocation of \$400,000 in Proposition 1B funds. These bond funds were approved by State voters for road projects, and this funding was used along with the Town's Measure A receipts to enhance the 2008-09 road program. The level of expenditures from this fund varies from year-to-year, depending upon the prioritization of road projects and the results of the public bidding process on these projects.

▫ Library Operations Fund

The Library Operations Fund is a special revenue fund that is used to account for the Town's maintenance and operation of the Woodside Branch Library. During 2008-09, the Library Operations Fund experienced an increase in fund balances of \$286,899, which is highlighted in the following chart.

| | |
|--------------------------------|---------------------|
| Revenues | \$ 377,986 |
| Expenditures | 82,292 |
| Excess of Expenditures | \$ 295,694 |
| Other Financing Sources (Uses) | |
| Transfers In | - |
| Transfers Out | (8,795) |
| Net Other sources | \$ (8,795) |
| Increase to Fund Balance | 286,899 |
| Beginning Fund Balance | 1,340,271 |
| Ending Fund Balance | \$ 1,627,170 |

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 many of the cities within San Mateo County and the County itself. The County provides the actual direct library services and pays for them from property taxes raised specifically for library purposes within each jurisdiction that hosts a County branch library. The "hosting" jurisdiction owns the building and grounds that support the library function and pays for day-to-day and long-term upkeep and improvement. Pursuant to the terms of the JPA, if more property taxes are raised within a jurisdiction than are needed to provide the direct library services, then the County is to remit the balance of the property taxes to the host jurisdiction, which can use the funds only for library purposes. Unless a major improvement project is undertaken, the Town generally pays about \$75,000 for routine maintenance. During 2008-09, no major projects were undertaken and the Town received about \$378,000 in property taxes and interest income for the Library Fund. The Town is planning several improvement projects for the library within the next year and the fund's healthy cash balances will be utilized to support these undertakings.

▫ Barkley Fields and Park Construction Fund

| | | |
|--------------------------------|-----------|------------------|
| Revenues | \$ | - |
| Expenditures | | 413,587 |
| Excess of Expenditures | \$ | (413,587) |
| Other Financing Sources (Uses) | | |
| Transfers In | | 24,357 |
| Transfers Out | | - |
| Net Other Uses | \$ | 24,357 |
| Increase to Fund Balance | | (389,230) |
| Beginning Fund Balance | | 389,230 |
| Ending Fund Balance | \$ | - |

As was discussed earlier in this MD&A, the decrease in the fund reflects the completion and acceptance of Barkley Fields and Park and the payout of the final project retention to the contractor.

▫ **Other Governmental Funds**

Included in this category are the Road Impact Fee, Gas Tax, Traffic Safety, Supplemental Law Enforcement Services, and the California Law Enforcement Equipment Program Funds. Taken as a whole, the following chart reflects the performance of these funds during 2008-09.

| | |
|--------------------------------|--------------------|
| Revenues | \$ 629,306 |
| Expenditures | 521,867 |
| Excess of Expenditures | \$ 107,439 |
| Other Financing Sources (Uses) | |
| Transfers In | - |
| Transfers Out | (72,100) |
| Net Other Uses | \$ (72,100) |
| Increase to Fund Balance | 35,339 |
| Beginning Fund Balance | 491,776 |
| Ending Fund Balance | \$ 527,115 |

These funds were previously detailed in the foregoing discussion of governmental activities. The net increase of \$35,339 in fund balances is attributable as follows:

| Fund | Net Change |
|------------------------------|------------------|
| Traffic Safety | \$ (698) |
| Road Impact Fee | (4,015) |
| Gas Tax | 46,368 |
| Supplemental Law Enforcement | (5,816) |
| Law Enforcement Equipment | (500) |
| Total | \$ 35,339 |

Performance of Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and service to the general public are financed or recovered primarily through user charges. The Town's enterprise operations consist entirely of public sewer service operations. The four funds that are included are the Cañada Corridor Sewer, Sewer Revolving, Sewer Utility, and Town Center Pump Sewer Funds. The performance of the Enterprise Funds has been previously discussed in this MD&A, with the overview of "Business-type Activities."

Budgeting

The Town's annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all other Major Funds. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgets are prepared on the modified accrual basis of accounting, consistent with generally accepted accounting practices (GAAP). Operating appropriations lapse at year-end. The Town Council generally reauthorizes appropriations for continuing projects and activities. Project-length financial plans are adopted for capital projects. The Town Council has the legal

authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is at the fund level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated between departments within the same fund without Town Council approval.

The General Fund final budget differs from the original budget by \$870,000 and the Barkley Fields and Park Construction Fund final budget differs from the final budget by \$413,600. The components of these changes include:

| Fund | Description | Amount |
|----------------------|---|--------------------|
| General | Support purchase of two alternative vehicles | \$10,000 |
| General | Support the Planning Director recruitment, the update of the Residential Design Guidelines, the acquisition of permit tracking and management software, and Barkley Fields construction and operation | \$321,000 |
| General | Support the operations and maintenance of Barkley Fields and Park | \$72,000 |
| Barkley Construction | Support final project costs | \$413,600 |
| General | Provide for the solar installation and roof replacement project at Town Hall | \$120,000 |
| General | Support for Planning Director transition, the General Plan Update and Review project, the permit tracking and management system, and the fee schedule update | \$212,000 |
| General | Support recreation programs and activities | \$35,000 |
| General | Support the cost of utilities and maintenance at Barkley Fields | \$25,000 |
| General | Support the cost of the preparation of environmental documents for private development applications. | \$75,000 |
| | Total | \$1,283,600 |

All of these adjustments were approved through a resolution of the Town Council.

Capital Assets

As of June 30, 2009, the Town had \$17 million, net of depreciation, invested in capital assets, as outlined in the following chart.

Two-year Comparison of Capital Assets, Net of Depreciation, at June 30th

| | Governmental | | Business-type | | Total 2008-09 | Total 2007-08 |
|----------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | Activities | Activities | Activities | Activities | | |
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 | | |
| Land | \$ 9,468,373 | \$ 9,468,373 | \$ - | \$ - | \$ 9,468,373 | \$ 9,468,373 |
| Buildings & improvements | 6,173,638 | 6,252,245 | - | - | 6,173,638 | 6,252,245 |
| Machinery & Equipment | 300,666 | 279,664 | 3,892 | 5,837 | 304,558 | 285,501 |
| Computer Software | 324,630 | - | - | - | 324,630 | - |
| Pumps & Collection Systems | - | - | 1,074,113 | 1,164,994 | 1,074,113 | 1,164,994 |
| Total | \$ 16,267,307 | \$ 16,000,282 | \$ 1,078,005 | \$ 1,170,831 | \$17,345,312 | \$17,374,113 |

The Town's Capital Assets are discussed in Note 5 to the Basic Financial Statements.

Conclusion

Management's Discussion and Analysis is designed to provide the Town's residents, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions about this document or requests for additional information may be directed to the Town Manager, as follows:

Susan George, Town Manager
P.O. Box 620005, Woodside, CA 94062
(650) 851-6790
sgeorge@woodsidetown.org

This Page Left Intentionally Blank

TOWN OF WOODSIDE

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

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

The Statement of Net Assets reports the difference between the Town's total assets and the Town's total liabilities, including all the Town's capital assets and all its long-term debt. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the Town's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of all of the Town's Governmental Activities in a single column, and the financial position of all of the Town's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire Town.

The Town's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, and Capital Projects Funds.

The Town's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the Town's net assets. It is also prepared on the full accrual basis, which means it includes all the Town's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the Town's expense first, listed by program, and is followed by the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The Town's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

TOWN OF WOODSIDE
STATEMENT OF NET ASSETS
JUNE 30, 2009

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|---------------------|
| ASSETS | | | |
| Cash and investments (Note 3) | \$6,334,450 | \$837,844 | \$7,172,294 |
| Accounts and other receivables | 965,994 | 7,222 | 973,216 |
| Loans receivable (Note 4) | | 43,785 | 43,785 |
| Capital assets (Note 5) | | | |
| Nondepreciable | 9,468,373 | | 9,468,373 |
| Depreciable, net of accumulated depreciation | <u>6,798,934</u> | <u>1,078,005</u> | <u>7,876,939</u> |
| Total Assets | <u>23,567,751</u> | <u>1,966,856</u> | <u>25,534,607</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 212,368 | 2,396 | 214,764 |
| Compensated absences (Note 2G) | 285,475 | | 285,475 |
| Deposits payable | <u>1,425,896</u> | <u>43,785</u> | <u>1,469,681</u> |
| Total Liabilities | <u>1,923,739</u> | <u>46,181</u> | <u>1,969,920</u> |
| NET ASSETS (Note 8) | | | |
| Invested in capital assets | <u>16,267,307</u> | <u>1,078,005</u> | <u>17,345,312</u> |
| Restricted for: | | | |
| Special revenue programs | <u>2,609,356</u> | | <u>2,609,356</u> |
| Total Restricted Net Assets | <u>2,609,356</u> | | <u>2,609,356</u> |
| Unrestricted | <u>2,767,349</u> | <u>842,670</u> | <u>3,610,019</u> |
| Total Net Assets | <u>\$21,644,012</u> | <u>\$1,920,675</u> | <u>\$23,564,687</u> |

See accompanying notes to financial statements

TOWN OF WOODSIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | | Total |
|---|--------------------|-------------------------|--|--|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental Activities: | | | | | | |
| Town council | \$29,701 | | | (\$29,701) | | (\$29,701) |
| Administration and finance | 1,133,373 | \$269,718 | | (863,655) | | (863,655) |
| Planning and building regulation | 1,945,639 | 741,147 | | (1,204,492) | | (1,204,492) |
| Building and grounds | 275,896 | 9,555 | | (266,341) | | (266,341) |
| Town-wide overhead | 364,871 | | | (364,871) | | (364,871) |
| Safety services | 1,202,667 | 233 | \$94,184 | (1,108,250) | | (1,108,250) |
| Trails and stables | 38,449 | 28,308 | | (10,141) | | (10,141) |
| Library services | 82,067 | | 350,000 | 267,933 | | 267,933 |
| Public works | 2,223,291 | 403,795 | 1,082,757 | (736,739) | | (736,739) |
| Recreation and open space | 284,120 | 123,650 | | (160,470) | | (160,470) |
| Total Governmental Activities | 7,580,074 | 1,576,406 | 1,526,941 | (4,476,727) | | (4,476,727) |
| Business-type Activities: | | | | | | |
| Sewer revolving | | 70,643 | | | \$70,643 | 70,643 |
| Sewer utility | 172,282 | 151,735 | | | (20,547) | (20,547) |
| Town center pump sewer | 74,872 | | | | (74,872) | (74,872) |
| Cañada Corridor sewer | 44,646 | 15,872 | | | (28,774) | (28,774) |
| Total Business-type Activities | 291,800 | 238,250 | | | (53,550) | (53,550) |
| Total | \$7,871,874 | \$1,814,656 | \$1,526,941 | (4,476,727) | (53,550) | (4,530,277) |
| General revenues: | | | | | | |
| Taxes | | | | | | |
| Property taxes | | | | 2,561,811 | | 2,561,811 |
| Sales tax | | | | 404,393 | | 404,393 |
| Property transfer tax | | | | 92,912 | | 92,912 |
| Franchises | | | | 368,317 | | 368,317 |
| Business licenses | | | | 115,874 | | 115,874 |
| Fines and forfeiture | | | | 2,701 | | 2,701 |
| Interest | | | | 151,213 | 18,699 | 169,912 |
| Other agencies | | | | 637,240 | | 637,240 |
| Other | | | | 20,875 | | 20,875 |
| Transfers (Note 6) | | | | 44,611 | (44,611) | |
| Total general revenues and transfers | | | | 4,399,947 | (25,912) | 4,374,035 |
| Change in Net Assets | | | | (76,780) | (79,462) | (156,242) |
| Net Assets-Beginning | | | | 21,720,792 | 2,000,137 | 23,720,929 |
| Net Assets-Ending | | | | \$21,644,012 | \$1,920,675 | \$23,564,687 |

See accompanying notes to financial statements

This Page Left Intentionally Blank

FUND FINANCIAL STATEMENTS

The Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between Fund types.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the Town in fiscal 2009. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

Accounts for all general revenue and tax receipts and their allocation and expenditure.

LIBRARY OPERATIONS SPECIAL REVENUE FUND

Accounts for expenses and reimbursements derived from the Town's membership in the San Mateo County Library System Joint Powers Agency.

MEASURE A SPECIAL REVENUE FUND

Accounts for the Town's share of a one-half cent sales tax restricted for transportation purposes.

BARKLEY PARK CONSTRUCTION CAPITAL PROJECTS FUND

Accounts for the cost of periodic rehabilitation of the soccer/baseball fields at Barkley Fields and Park and of other periodic major maintenance projects at the park.

TOWN OF WOODSIDE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009

| | General | Library Operations | Measure A Funds | Barkley Park Construction | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|-----------------------|--------------------|------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and investments (Note 3) | \$4,055,284 | \$1,273,507 | \$485,257 | | \$520,402 | \$6,334,450 |
| Accounts and other receivables | 487,843 | 354,588 | 16,273 | | 107,290 | 965,994 |
| Due from other funds (Note 6B) | 100,027 | | | | | 100,027 |
| Total Assets | \$4,643,154 | \$1,628,095 | \$501,530 | | \$627,692 | \$7,400,471 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$164,434 | \$925 | \$46,459 | | \$550 | \$212,368 |
| Due to other funds (Note 6B) | | | | | 100,027 | 100,027 |
| Deposit Payable | 1,425,896 | | | | | 1,425,896 |
| Total Liabilities | 1,590,330 | 925 | 46,459 | | 100,577 | 1,738,291 |
| FUND BALANCES (Note 8) | | | | | | |
| Unreserved, undesignated reported in: | | | | | | |
| General fund | 3,052,824 | | | | | 3,052,824 |
| Capital project funds | | | | | | |
| Special revenue funds | | 1,627,170 | 455,071 | | 527,115 | 2,609,356 |
| Total Fund Balances | 3,052,824 | 1,627,170 | 455,071 | | 527,115 | 5,662,180 |
| Total Liabilities and Fund Balances | \$4,643,154 | \$1,628,095 | \$501,530 | | \$627,692 | |

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.

16,267,307

LONG TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

 Non-current portion of compensated absences

(285,475)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$21,644,012

See accompanying notes to financial statements

TOWN OF WOODSIDE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

| | General | Library Operations | Measure A Funds | Barkley Park Construction | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|-----------------------|--------------------|------------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$2,561,811 | | | | | \$2,561,811 |
| Sales tax | 404,393 | | | | | 404,393 |
| Property transfer tax | 92,912 | | | | | 92,912 |
| Franchises | 368,317 | | | | | 368,317 |
| Business licenses | 115,874 | | | | | 115,874 |
| Fees and permits | 696,914 | | | | \$326,249 | 1,023,163 |
| Fines and forfeiture | 2,701 | | | | 23,817 | 26,518 |
| Interest | 102,088 | \$27,986 | \$11,154 | | 9,985 | 151,213 |
| Other agencies | 589,563 | 350,000 | 630,405 | | 269,255 | 1,839,223 |
| Current services | 852,642 | | | | | 852,642 |
| Other | 22,617 | | | | | 22,617 |
| Total Revenues | 5,809,832 | 377,986 | 641,559 | | 629,306 | 7,458,683 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Town council | 29,701 | | | | | 29,701 |
| Administration and finance | 1,134,283 | | | | | 1,134,283 |
| Planning and building regulation | 1,948,974 | | | | 82 | 1,949,056 |
| Building and grounds | 134,742 | | | | | 134,742 |
| Town-wide overhead | 664,907 | | | | | 664,907 |
| Safety services | 1,093,294 | | | | 100,500 | 1,193,794 |
| Trails and stables | 38,449 | | | | | 38,449 |
| Library services | | 82,067 | | | | 82,067 |
| Public works | 395,803 | | 1,394,856 | | 421,285 | 2,211,944 |
| Recreation and open space | 284,120 | | | | | 284,120 |
| Capital outlay | 67,402 | 225 | 26,738 | \$413,587 | | 507,952 |
| Total Expenditures | 5,791,675 | 82,292 | 1,421,594 | 413,587 | 521,867 | 8,231,015 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 18,157 | 295,694 | (780,035) | (413,587) | 107,439 | (772,332) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in (Note 6) | 197,606 | | 500,000 | 24,357 | | 721,963 |
| Transfers (out) (Note 6) | (524,357) | (8,795) | (72,100) | | (72,100) | (677,352) |
| Total Other Financing Sources (Uses) | (326,751) | (8,795) | 427,900 | 24,357 | (72,100) | 44,611 |
| NET CHANGE IN FUND BALANCES | (308,594) | 286,899 | (352,135) | (389,230) | 35,339 | (727,721) |
| BEGINNING FUND BALANCES | 3,361,418 | 1,340,271 | 807,206 | 389,230 | 491,776 | 6,389,901 |
| ENDING FUND BALANCES | \$3,052,824 | \$1,627,170 | \$455,071 | | \$527,115 | \$5,662,180 |

See accompanying notes to financial statements

TOWN OF WOODSIDE
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the Change in
 GOVERNMENTAL NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$727,721)

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

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays and certain expenditures as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance. 507,952

Public works expenditures are therefore added back to fund balance 324,405

Depreciation expense is deducted from fund balance (214,291)

ACCRUAL OF NON-CURRENT ITEMS

The amount below included in the Statement of Activities does not (require) the use of current financial resources and therefore is not reported as expenditures in governmental funds (net change):

Compensated absences 32,875

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (\$76,780)

See accompanying notes to financial statements

TOWN OF WOODSIDE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------------|--------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$2,395,050 | \$2,395,050 | \$2,561,811 | \$166,761 |
| Sales tax | 407,200 | 407,200 | 404,393 | (2,807) |
| Property transfer tax | 130,000 | 130,000 | 92,912 | (37,088) |
| Franchises | 305,100 | 305,100 | 368,317 | 63,217 |
| Business licenses | 136,000 | 136,000 | 115,874 | (20,126) |
| Fees and permits | 750,000 | 750,000 | 696,914 | (53,086) |
| Fines and forfeiture | 2,000 | 2,000 | 2,701 | 701 |
| Interest | 176,000 | 176,000 | 102,088 | (73,912) |
| Other agencies | 580,000 | 580,000 | 589,563 | 9,563 |
| Current services | 390,900 | 390,900 | 852,642 | 461,742 |
| Other | 16,000 | 16,000 | 22,617 | 6,617 |
| Total Revenues | 5,288,250 | 5,288,250 | 5,809,832 | 521,582 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Town council | 24,000 | 24,000 | 29,701 | (5,701) |
| Administration and finance | 1,079,590 | 1,171,090 | 1,134,283 | 36,807 |
| Planning and building regulation | 1,383,075 | 1,720,575 | 1,948,974 | (228,399) |
| Building and grounds | 118,155 | 141,355 | 134,742 | 6,613 |
| Town-wide overhead | 334,310 | 566,810 | 664,907 | (98,097) |
| Safety services | 1,106,626 | 1,106,626 | 1,093,294 | 13,332 |
| Trails and stables | 27,940 | 39,440 | 38,449 | 991 |
| Public works | 527,526 | 457,526 | 395,803 | 61,723 |
| Recreation and open space | 156,550 | 288,550 | 284,120 | 4,430 |
| Capital outlay | 188,069 | 274,869 | 67,402 | 207,467 |
| Total Expenditures | 4,945,841 | 5,790,841 | 5,791,675 | (834) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 342,409 | (502,591) | 18,157 | 520,748 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (Note 6) | 197,606 | 197,606 | 197,606 | |
| Transfers (out) (Note 6) | (500,000) | (525,000) | (524,357) | 643 |
| Total Other Financing Sources (Uses) | (302,394) | (327,394) | (326,751) | 643 |
| NET CHANGE IN FUND BALANCE | \$40,015 | (\$829,985) | (308,594) | \$521,391 |
| BEGINNING FUND BALANCE | | | 3,361,418 | |
| ENDING FUND BALANCE | | | \$3,052,824 | |

See accompanying notes to financial statements

TOWN OF WOODSIDE
LIBRARY OPERATIONS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------|----------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Interest | \$5,000 | \$5,000 | \$27,986 | \$22,986 |
| Other agencies | \$55,000 | 55,000 | 350,000 | 295,000 |
| Total Revenues | 60,000 | 60,000 | 377,986 | 317,986 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Library services | 68,157 | 86,157 | 82,067 | 4,090 |
| Capital outlay | 60,000 | 42,000 | 225 | 41,775 |
| Total Expenditures | 128,157 | 128,157 | 82,292 | 45,865 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (68,157) | (68,157) | 295,694 | 363,851 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) (Note 6) | (8,795) | (8,795) | (8,795) | |
| Total Other Financing Sources (Uses) | (8,795) | (8,795) | (8,795) | |
| NET CHANGE IN FUND BALANCE | (\$76,952) | (\$76,952) | 286,899 | \$363,851 |
| BEGINNING FUND BALANCE | | | 1,340,271 | |
| ENDING FUND BALANCE | | | \$1,627,170 | |

See accompanying notes to financial statements

TOWN OF WOODSIDE
 MEASURE A SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Interest | \$7,300 | \$7,300 | \$11,154 | \$3,854 |
| Other agencies | <u>\$250,000</u> | <u>250,000</u> | <u>630,405</u> | <u>380,405</u> |
| Total Revenues | <u>257,300</u> | <u>257,300</u> | <u>641,559</u> | <u>384,259</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 1,536,465 | 1,536,465 | 1,394,856 | 141,609 |
| Capital outlay | <u>30,000</u> | <u>30,000</u> | <u>26,738</u> | <u>3,262</u> |
| Total Expenditures | <u>1,566,465</u> | <u>1,566,465</u> | <u>1,421,594</u> | <u>144,871</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,309,165)</u> | <u>(1,309,165)</u> | <u>(780,035)</u> | <u>529,130</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (Note 6) | 500,000 | 500,000 | 500,000 | |
| Transfers (out) (Note 6) | <u>(72,100)</u> | <u>(72,100)</u> | <u>(72,100)</u> | |
| Total Other Financing Sources (Uses) | <u>427,900</u> | <u>427,900</u> | <u>427,900</u> | |
| NET CHANGE IN FUND BALANCE | <u>(\$881,265)</u> | <u>(\$881,265)</u> | <u>(352,135)</u> | <u>\$529,130</u> |
| BEGINNING FUND BALANCE | | | <u>807,206</u> | |
| ENDING FUND BALANCE | | | <u>\$455,071</u> | |

See accompanying notes to financial statements

This Page Left Intentionally Blank

MAJOR PROPRIETARY FUNDS

Proprietary funds account for Town 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.

The Town has identified all of its Enterprise Funds as major proprietary funds in fiscal 2009.

SEWER REVOLVING FUND

Used to account for revenues received from sewer connections to the Redwood Creek Sewer assessment District, to be allocated to sewer system improvements and rehabilitation

SEWER UTILITY

Used to account for the operating costs and user fees associated with the Town Center Sewer District. Fund 529 is 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

Used to account for 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

Used to account for the operating costs and user fees associated with the Cañada Corridor Sanitary Sewer Area.

TOWN OF WOODSIDE
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

| | Business-type Activities-Enterprise Funds | | | | |
|--|---|------------------|---------------------------|--------------------------|--------------------|
| | Sewer Revolving | Sewer Utility | Town Center Pump Sewer | Cañada Corridor Sewer | Totals |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and investments (Note 3) | \$137,440 | \$200,697 | \$484,932 | \$14,775 | \$837,844 |
| Accounts and other receivables | 367 | 4,738 | 1,861 | 256 | 7,222 |
| Loans receivable (Note 4) | 43,785 | | | | 43,785 |
| Total Current Assets | 181,592 | 205,435 | 486,793 | 15,031 | 888,851 |
| Noncurrent Assets: | | | | | |
| Capital assets (Note 5) | | | | | |
| Depreciable, net of accumulated depreciation | | 1,042 | 673,866 | 403,097 | 1,078,005 |
| Total Noncurrent Assets | | 1,042 | 673,866 | 403,097 | 1,078,005 |
| Total Assets | 181,592 | 206,477 | 1,160,659 | 418,128 | 1,966,856 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | | 442 | | 1,954 | 2,396 |
| Total Current Liabilities | | 442 | | 1,954 | 2,396 |
| Noncurrent Liabilities: | | | | | |
| Deposit Payable | 43,785 | | | | 43,785 |
| Total Noncurrent Liabilities | 43,785 | | | | 43,785 |
| Total Liabilities | 43,785 | 442 | | 1,954 | 46,181 |
| NET ASSETS (Note 8) | | | | | |
| Invested in capital assets | | 1,042 | 673,866 | 403,097 | 1,078,005 |
| Unrestricted, designated for: | | | | | |
| Sewer line attachments | 137,807 | 204,993 | 486,793 | 13,077 | 842,670 |
| Total Net Assets | \$137,807 | \$206,035 | \$1,160,659 | \$416,174 | \$1,920,675 |

See accompanying notes to financial statements

TOWN OF WOODSIDE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

| | Business-type Activities-Enterprise Funds | | | | Totals |
|---|---|------------------|---------------------------|--------------------------|-------------|
| | Sewer Revolving | Sewer Utility | Town Center Pump Sewer | Cañada Corridor Sewer | |
| OPERATING REVENUES | | | | | |
| Charges for current services | \$70,643 | \$151,735 | | \$15,872 | \$238,250 |
| Total Operating Revenues | 70,643 | 151,735 | | 15,872 | 238,250 |
| OPERATING EXPENSES | | | | | |
| Salaries and related expenses | | 57,823 | | | 57,823 |
| Outside services | | 596 | | | 596 |
| Repairs and maintenance | | 113,344 | | 27,211 | 140,555 |
| Depreciation | | 519 | \$74,872 | 17,435 | 92,826 |
| Total Operating Expenses | | 172,282 | 74,872 | 44,646 | 291,800 |
| Operating Income (Loss) | 70,643 | (20,547) | (74,872) | (28,774) | (53,550) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest income | 1,818 | 5,168 | 11,165 | 548 | 18,699 |
| Total Nonoperating Revenues (Expenses) | 1,818 | 5,168 | 11,165 | 548 | 18,699 |
| Income (Loss) Before Transfers | 72,461 | (15,379) | (63,707) | (28,226) | (34,851) |
| Transfers out (Note 6) | (9,209) | (21,534) | (12,422) | (1,446) | (44,611) |
| Net transfers | (9,209) | (21,534) | (12,422) | (1,446) | (44,611) |
| Change in net assets | 63,252 | (36,913) | (76,129) | (29,672) | (79,462) |
| BEGINNING NET ASSETS | 74,555 | 242,948 | 1,236,788 | 445,846 | 2,000,137 |
| ENDING NET ASSETS | \$137,807 | \$206,035 | \$1,160,659 | \$416,174 | \$1,920,675 |

See accompanying notes to financial statements

TOWN OF WOODSIDE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

Business-type Activities-Enterprise Funds

| | <u>Sewer Revolving</u> | <u>Sewer Utility</u> | <u>Town Center Pump Sewer</u> | <u>Cañada Corridor Sewer</u> | <u>Totals</u> |
|---|----------------------------|--------------------------|-----------------------------------|----------------------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$70,805 | \$153,019 | \$1,630 | \$15,808 | \$241,262 |
| Payments to suppliers | | (113,498) | | (27,211) | (140,709) |
| Payments to employees | | (57,823) | | | (57,823) |
| Cash Flows from Operating Activities | <u>70,805</u> | <u>(18,302)</u> | <u>1,630</u> | <u>(11,403)</u> | <u>42,730</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers (out) | (9,209) | (21,534) | (12,422) | (1,446) | (44,611) |
| Cash Flows from Noncapital Financing Activities | <u>(9,209)</u> | <u>(21,534)</u> | <u>(12,422)</u> | <u>(1,446)</u> | <u>(44,611)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest | 1,818 | 5,168 | 11,165 | 548 | 18,699 |
| Cash Flows from Investing Activities | <u>1,818</u> | <u>5,168</u> | <u>11,165</u> | <u>548</u> | <u>18,699</u> |
| Net Cash Flows | 63,414 | (34,668) | 373 | (12,301) | 16,818 |
| Cash and investments at beginning of period | <u>74,026</u> | <u>235,365</u> | <u>484,559</u> | <u>27,076</u> | <u>821,026</u> |
| Cash and investments at end of period | <u>\$137,440</u> | <u>\$200,697</u> | <u>\$484,932</u> | <u>\$14,775</u> | <u>\$837,844</u> |
| Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities: | | | | | |
| Operating income (loss) | \$70,643 | (\$20,547) | (\$74,872) | (\$28,774) | (\$53,550) |
| Adjustments to reconcile operating income to cash flows from operating activities: | | | | | |
| Depreciation and amortization | | 519 | 74,872 | 17,435 | 92,826 |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | 162 | 1,284 | 1,630 | (64) | 3,012 |
| Accounts payable and other liabilities | | 442 | | | 442 |
| Cash Flows from Operating Activities | <u>\$70,805</u> | <u>(\$18,302)</u> | <u>\$1,630</u> | <u>(\$11,403)</u> | <u>\$42,730</u> |

See accompanying notes to financial statements

| |
|------------------------|
| FIDUCIARY FUNDS |
|------------------------|

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

TOWN OF WOODSIDE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2009

| | <u>Agency Funds</u> |
|--|-------------------------|
| ASSETS | |
| Cash and investments available for operations (Note 3) | \$435,402 |
| Interest receivable | <u>1,725</u> |
| Total Assets | <u><u>\$437,127</u></u> |
| | |
| LIABILITIES | |
| Accrued liabilities | \$290,895 |
| Due to bondholders | <u>146,232</u> |
| Total Liabilities | <u><u>\$437,127</u></u> |

See accompanying notes to financial statements

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 1 - GENERAL

The Town of Woodside is a residential community located in San Mateo County, California. The Town was incorporated November 16, 1956 and its population at June 30, 2009 was approximately 5,665. The Town operates under a Council-Manager form of government, with 7 elected Council members served by a full-time Town Manager and staff. At June 30, 2009, the Town's staff comprised 21 full-time employees who were responsible for the following services:

Public Works - The Town builds and maintains its trails, sewer lines, streets, and related public property with a force of 6 employees.

Planning and Building - The Town has 10 employees providing planning and building services.

General administrative services - The Town has 5 employees providing these services.

Public safety services are provided by the County Sheriff's Department under a contract with the Town.

Water purchases and sewage treatment are provided by other municipalities which bill the Town for its share of operating costs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of accounting policies of the Town:

A. Reporting Entity

These financial statements include the financial activities of the Town, which has no component units.

B. Basis of Presentation

The Town's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Statements require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the Town). These statements include the financial activities of the overall Town government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds and fiduciary funds. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

The Town's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

The Town reported the following major governmental funds in the accompanying financial statements:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Library Operations Special Revenue Fund is used to account for expenses and reimbursements derived from the Town's membership in the San Mateo County Library System Joint Powers Agency.

Measure A Special Revenue Fund is used to account for the Town's share of a one-half cent sales tax restricted for transportation purposes.

Barkley Park Construction Capital Projects Fund is used to account for the cost of periodic rehabilitation of the soccer/baseball fields at Barkley Fields and Park and of other periodic major maintenance projects at the park.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reported all its enterprise funds as major funds in the accompanying financial statements:

Sewer Revolving is used to account for revenues received from sewer connections to the Redwood Creek Sewer assessment District, to be allocated to sewer system improvements and rehabilitation.

Sewer Utility is used to account for the operating costs and user fees associated with the Town Center Sewer District.

Town Center Pump Sewer is used to account for 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 is used to account for the operating costs and user fees associated with the Cañada Corridor Sanitary Sewer Area.

The Town also reports the following fund types:

Fiduciary Funds - Agency Funds are used to account for assets held by the Town as an agent for individuals or private organizations. The financial activities of these funds are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Those revenues susceptible to accrual are taxes, interest revenue and charges for services. Fines, licenses and permits are not susceptible to accrual because they are not measurable until received in cash. Sewer revenues are billed and collected as part of San Mateo County property tax rolls prior to year end.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Town may fund programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

E. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution during the last Town Council meeting in the month of June.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Proprietary Funds.
5. Budgets for the general, special revenue, and proprietary funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgeted amounts are as originally adopted or as amended by the Town Council. Individual amendments were not material in relation to the original appropriations which were amended.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes and Sewer Service Charges

County tax assessments include secured and unsecured property taxes, and charges for sewer service. Unsecured taxes are taxes on personal property. Tax assessments are secured by liens on the property being taxed.

Revenue is recognized in the period for which the tax and assessment is levied. The County of San Mateo levies, bills and collects property taxes for the Town. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Secured and unsecured property taxes are levied on January 1. Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

G. Compensated Absences

The Town's liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. The liability for compensated absences is determined annually, however, such compensated absences payments are not distinguished from regular payroll paid during the fiscal year. For all governmental funds, amounts expected to be permanently liquidated due to terminations are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Assets.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

H. Deferred Compensation Plan

Town employees may defer a portion of their compensation under Town sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The laws governing deferred compensation plan assets required them to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the Town's property and are not subject to the Town control, they have been excluded from these financial statements.

I. Expenditures in Excess of Budget

For the year ended June 30, 2009, General Fund expenditures exceeded the budgeted expenditures by \$834.

J. Closed Fund

The Town closed the Barkley Park Construction Capital Project Fund during the fiscal year ended June 30, 2009.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law this collateral is held in the Town's name and places the Town ahead of general creditors of the institution. The Town has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The Town adjusts the carrying value of its investments to reflect their fair market value at each fiscal year end, and it includes the effects of these adjustments in interest income for that fiscal year.

B. Classification

The Town's total cash and investments, at fair value, are presented on the accompanying statement of net assets in the following allocations:

| | |
|----------------------------|---------------------------|
| Cash and Investments | |
| Statement of Net Assets | \$7,172,294 |
| Fiduciary Funds | <u>435,402</u> |
| Total cash and investments | <u><u>\$7,607,696</u></u> |

C. Investments Authorized by the Town's Investment Policy

The Town's investment policy only authorizes investment in the local government investment pool administered by the State of California (LAIF) and certificates of deposits in California financial institutions. The Town's investment policy does not contain any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk, and concentration of credit risk.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2009 consist of the following:

| | |
|------------------------------|---------------------------|
| Local Agency Investment Fund | \$7,347,666 |
| Cash in bank | 259,630 |
| Cash on hand | <u>400</u> |
| Total cash and investments | <u><u>\$7,607,696</u></u> |

The Town is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2009, these investments matured in an average of 235 days.

E. Credit Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized credit rating organization. LAIF does not have a rating provided by a nationally recognized credit rating organization.

NOTE 4 - LOANS RECEIVABLE

The Cañada Corridor Sewer Extension Project (Project) extended the Town Center Sewer System to approximately thirty additional properties in an area of Town that has experienced a high rate of private on-site septic system failures. The Town entered into a Developer Agreement with a private citizen/developer who had permits to build two new residences in the impacted area. The developer oversaw the Project, including the hiring of a contractor, using Town-approved plans and specifications. The Town completed the Project in fiscal 2005 and transferred the capital cost of \$480,299 to the Cañada Corridor Sewer Enterprise Fund.

The project was financed through a combination of private and public funds, including a \$100,000 contribution from the developer, down payments from the property owners who will connect to the system, and a contribution from the Town's Sewer Revolving Fund. It is anticipated that this contribution will be restored to the Town as area residents pay the remaining cost of each connection rights. The original repayment obligation amounted to \$234,784 and was secured by Recorded Deeds of Trust against each property. At June 30, 2009 the balance was \$43,785.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS

The Town defines capital assets as assets with an initial cost generally of \$1,000 or more and an estimated useful life in excess of two years except for land which is always capitalized.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

The Town is required to record all its public domain (infrastructure) capital assets, which it has placed into service beginning in fiscal year 2004, include roads, curbs and gutters, streets and sidewalks, and drainage systems.

All capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Town has assigned the useful lives listed below to capital assets:

| | |
|----------------------------|-------------|
| Buildings and Improvements | 20-50 years |
| Machinery and Equipment | 5-20 years |
| Sewer Lines | 30 years |
| Computer Software | 10 years |

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers, other governments or individuals. These contributions are accounted for as revenues at the time the capital assets are contributed.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital asset activity during the fiscal year ended June 30, 2009 was as follows:

| | Balance 2008 | Additions | Deletions | Balance 2009 |
|--|---------------------|------------------|------------|---------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$9,468,373 | | | \$9,468,373 |
| Total capital assets not being depreciated | 9,468,373 | | | 9,468,373 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 6,995,136 | \$62,547 | | 7,057,683 |
| Machinery and equipment | 746,211 | 94,139 | (\$50,357) | 789,993 |
| Computer software | | 324,630 | | 324,630 |
| Total capital assets being depreciated | 7,741,347 | 481,316 | (50,357) | 8,172,306 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 742,891 | 141,154 | | 884,045 |
| Machinery and equipment | 466,547 | 73,137 | (50,357) | 489,327 |
| Total accumulated depreciation | 1,209,438 | 214,291 | (50,357) | 1,373,372 |
| Total depreciable assets | 6,531,909 | 267,025 | | 6,798,934 |
| Governmental activity capital assets, net | <u>\$16,000,282</u> | <u>\$267,025</u> | | <u>\$16,267,307</u> |

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

| | Balance <u>2008</u> | Additions | Balance <u>2009</u> |
|--|------------------------|-----------------------|------------------------|
| Business-type activities | | | |
| Capital assets being depreciated: | | | |
| Buildings and improvements | \$141,706 | | \$141,706 |
| Machinery and equipment | 9,727 | | 9,727 |
| Pumps and collections system | <u>2,726,497</u> | | <u>2,726,497</u> |
| Total capital assets being depreciated | <u>2,877,930</u> | | <u>2,877,930</u> |
| Less accumulated depreciation | | | |
| Buildings and improvements | 141,706 | | 141,706 |
| Machinery and equipment | 3,890 | \$1,945 | 5,835 |
| Pumps and collections system | <u>1,561,503</u> | <u>90,881</u> | <u>1,652,384</u> |
| Total accumulated depreciation | <u>1,707,099</u> | <u>92,826</u> | <u>1,799,925</u> |
| Business-type activity capital assets, net | <u>\$1,170,831</u> | <u>(\$92,826)</u> | <u>\$1,078,005</u> |

B. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program is as follows:

| | |
|-------------------------------------|----------------------|
| Governmental Activities | |
| Administration and finance | \$4,509 |
| Planning and building regulation | 8,450 |
| Building and grounds | 141,154 |
| Town-wide overhead | 24,369 |
| Safety services | 8,873 |
| Public works | <u>26,936</u> |
| Total Governmental Activities | <u>\$214,291</u> |
| Business-Type Activities | |
| Sewer utility | \$520 |
| Town center pump sewer | 74,872 |
| Cañada Corridor sewer | <u>17,434</u> |
| Total Business-Type Activities | <u>\$92,826</u> |

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 6 - INTERFUND TRANSACTIONS

With Council approval, resources may be transferred from one Town fund to another. The purpose of the majority of transfers, is to finance operations of the fund receiving the transfer. Less often, a transfer may be made to open or close a fund.

A. Transfers

Transfers between individual funds during the fiscal year ended June 30, 2009 are shown below. These transfers were generally made to reimburse the receiving fund for expenditures made on behalf of the fund making the transfer.

| Fund Making Transfers | Fund Receiving Transfers | Amount |
|---|---|------------------|
| Major Governmental Funds | | |
| General Fund | Barkley Park Construction Capital Projects Fund | \$24,357 (a) |
| General Fund | Measure A Special Revenue Fund | 500,000 (b) |
| Library Operations Special Revenue Fund | General Fund | 8,795 (c) |
| Measure A Special Revenue Fund | General Fund | 72,100 (c) |
| Non-major Governmental Funds | | |
| Non-major Governmental Funds | General Fund | 72,100 (c) |
| Enterprise Funds | | |
| Sewer Revolving Enterprise Fund | General Fund | 9,209 (c) |
| Sewer Utility Enterprise Fund | General Fund | 21,534 (c) |
| Town Center Pump Sewer Enterprise Fund | General Fund | 12,422 (c) |
| Cañada Corridor Enterprise Fund | General Fund | 1,446 (c) |
| | | <u>\$721,963</u> |

Purpose of transfer:

- (a) General Fund contribution to Barkley Fields and Park Construction Fund
- (b) General Fund contribution to Roads Program
- (c) Overhead Cost Allocation

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2009, the Supplemental Law Enforcement Service Special Revenue Fund owed the General Fund \$100,027.

C. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 7 – LONG TERM DEBT WITHOUT TOWN COMMITMENT

A. *Special Assessment District Bonds with no Town Commitment*

In October 1999, the Woodside Road/Whiskey Hill Road Parking Assessment District issued \$1,435,000 Series 1999-A Bonds to refund the Series 1990-A Bonds and to fund construction costs for the project. The Town is the collecting and paying agent for the bond issued by the Woodside Road/Whiskey Hill Road Parking Assessment District. The outstanding amount of the bond as of June 30, 2009 was \$915,000.

In January 2002, the Town Center Pump Station Special Assessment District issued \$803,000 Series 2002-1 Bonds to refund the Series 1992 Bonds. However, the Town has no direct or contingent liability or moral obligation for the payment of these bonds. The Town is the collecting and paying agent for the bond issued by the Town Center Pump Station Special Assessment District. The bond issued by the Town Center Pump Station Special Assessment District was paid off in September 2008.

NOTE 8 – NET ASSETS AND FUND BALANCES

A. *Net Assets*

Net Assets are measured on the full accrual basis and are the excess of all the Town's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions which is determined only at the Government-wide level, and are described below:

Invested in Capital Assets, describes the portion of Net Assets which is represented by the current net book value of the Town's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Town cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Assets which is not restricted to use.

B. *Fund Balances, Reserves and Designations*

Governmental fund balance is measured on the modified accrual basis and represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds. Reserves also reflect assets which are not spendable such as prepaids. The Town cannot modify or remove these restrictions or reserves.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 9 - PERS PENSION PLAN

CALPERS Miscellaneous Employees Plans

Substantially all Town employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Town's employees participate in the Miscellaneous Employee Plan. Benefit provisions under both Plans are established by State statute and Town resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the Town must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2009, are summarized as follows:

| | <u>Miscellaneous</u> |
|---|----------------------|
| Benefit vesting schedule | 5 years service |
| Benefit payments | Monthly for life |
| Retirement age | 50 |
| Monthly benefits, as a % of annual salary | 2.0% - 2.5% |
| Required employee contribution rates | 8% |
| Required employer contribution rates | 12.034% |

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Town's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The Town uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation rate at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 9 - PERS PENSION PLAN (Continued)

As required by State law, effective July 1, 2005, the Town's Miscellaneous Plan was terminated, and the employees in those plans were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the Town true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The Town satisfied its Miscellaneous Plan's unfunded liability of \$463,215 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 18 years. The required contributions, representing annual pension cost, and related rates for the year ended June 30 were as follows:

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 2007 | \$299,175 | 100% | --- |
| 2008 | 352,682 | 100% | --- |
| 2009 | 375,045 | 100% | --- |

The latest available actuarial values of the above State-wide pools (which differs from market value) and funding progress were set forth as follow. The information presented below relates to State-wide pools as a whole, of which the Town is one participating employer.

Statewide Pool Miscellaneous Plan:

Actuarial

| Actuarial Valuation Date | Entry Age Accrued Liability | Value of Assets | (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | (Overfunded) Liability as % of Payroll |
|--------------------------------|-----------------------------------|--------------------|---------------------------|-----------------|------------------------------|--|
| 2005 | \$579,276,103 | \$500,388,523 | \$78,887,580 | 86.4% | \$129,379,492 | 61.0% |
| 2006 | 912,988,585 | 787,758,909 | 125,229,676 | 86.3% | 200,320,145 | 62.5% |
| 2007 | 1,315,454,361 | 1,149,247,298 | 166,207,063 | 87.4% | 289,090,187 | 57.5% |

The Town's Miscellaneous Plan represents approximately 0.56%, 0.66%, and 0.92% of the State-wide pool for the years ended June 30, 2007, 2006, and 2005, respectively, based on covered payroll of \$1,615,667; \$1,326,312 and \$1,195,170 for those years, respectively.

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 10 - RISK MANAGEMENT

A. Risk Pools

The Town participates in the following public entity risk pools, other risks are covered by commercial insurance.

ABAG Plan Corporation (ABAG PLAN) covers general liability claims in an amount up to \$5,000,000. Town has also purchased additional insurance coverage of \$5,000,000 from Lexington Insurance Company through ABAG in fiscal year 2009, making the total limit of liability \$10,000,000. The Town has a deductible or uninsured liability of up to \$25,000 per claim. Once the Town's deductible is met ABAG PLAN becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2009 the Town contributed \$66,383 for current year coverage.

ABAG Plan pool is governed by a board consisting of representatives from member municipalities. The board controls the operations, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

Financial statements for ABAG PLAN may be obtained from ABAG, P.O. Box 2050, Oakland, California, 94604-2050.

The State Compensation Insurance Fund covers workers compensation claims up to \$200,000 each and has coverage above that limit to a maximum of \$1,000,000. The Town has no deductible for these claims. During the fiscal year ended June 30, 2009 the Town contributed \$66,253 for current year coverage.

B. Liability for Uninsured Claims

The Town has retained the risk for the deductible or uninsured portion of general liability claims. The Town's liability for uninsured claims at June 30, 2009 is believed by management to be nil based on the absence of any asserted claims.

NOTE 11 - 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 on 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 are used along with other member contributions to finance C/CAG operations. Audited financial statements may be obtained from the Town of San Carlos, 666 Elm Street, San Carlos, CA, 94070. The Town's payments to C/CAG during the year totaled \$21,063. The Town's share of year-end assets, liabilities, or fund equity has not been calculated by C/CAG.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

The Town is subject to litigation arising in the normal course of business. In the opinion of the Town Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the Town. Litigation outstanding in prior years has been settled without material cost to the Town.

NON-MAJOR GOVERNMENTAL FUNDS

TOWN OF WOODSIDE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2009

| SPECIAL REVENUE FUNDS | | | | |
|-------------------------------------|-------------------|---------------------|----------|--|
| | Traffic Safety | Road Impact Fees | Gas Tax | Supplemental Law Enforcement Service |
| ASSETS | | | | |
| Cash and investments | \$24,862 | \$407,972 | \$77,356 | |
| Accounts and other receivables | 62 | 1,485 | 11,648 | \$94,095 |
| Total Assets | \$24,924 | \$409,457 | \$89,004 | \$94,095 |
| LIABILITIES | | | | |
| Accounts payable | | \$550 | | |
| Due to other funds | | | | \$100,027 |
| Total Liabilities | | 550 | | 100,027 |
| FUND BALANCE | | | | |
| Fund balance: | | | | |
| Unreserved, undesignated | \$24,924 | 408,907 | \$89,004 | (5,932) |
| Total Fund Balances | 24,924 | 408,907 | 89,004 | (5,932) |
| Total Liabilities and Fund Balances | \$24,924 | \$409,457 | \$89,004 | \$94,095 |

SPECIAL
REVENUE
FUND

| <u>California Law Enforcement Equipment Program</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|--|
| \$10,212 | \$520,402 |
| | 107,290 |
| <u>\$10,212</u> | <u>\$627,692</u> |
| | \$550 |
| | 100,027 |
| | 100,577 |
| <u>\$10,212</u> | <u>527,115</u> |
| <u>10,212</u> | <u>527,115</u> |
| <u>\$10,212</u> | <u>\$627,692</u> |

TOWN OF WOODSIDE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

| | SPECIAL REVENUE FUNDS | | | |
|--|-----------------------|---------------------|-----------------|--|
| | Traffic Safety | Road Impact Fees | Gas Tax | Supplemental Law Enforcement Service |
| REVENUES | | | | |
| Fees and permits | | \$326,249 | | |
| Fines and forfeiture | \$23,817 | | | |
| Interest | 454 | 8,269 | \$1,262 | |
| Other agencies | 1,291 | | 173,780 | \$94,184 |
| Total Revenues | <u>25,562</u> | <u>334,518</u> | <u>175,042</u> | <u>94,184</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Planning and building regulation | | 82 | | |
| Safety services | | | | 100,000 |
| Public works | 26,260 | 266,351 | 128,674 | |
| Total Expenditures | <u>26,260</u> | <u>266,433</u> | <u>128,674</u> | <u>100,000</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(698)</u> | <u>68,085</u> | <u>46,368</u> | <u>(5,816)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) | | (72,100) | | |
| Total Other Financing Sources (Uses) | | <u>(72,100)</u> | | |
| NET CHANGE IN FUND BALANCES | (698) | (4,015) | 46,368 | (5,816) |
| BEGINNING FUND BALANCES | <u>25,622</u> | <u>412,922</u> | <u>42,636</u> | <u>(116)</u> |
| ENDING FUND BALANCES | <u>\$24,924</u> | <u>\$408,907</u> | <u>\$89,004</u> | <u>(\$5,932)</u> |

SPECIAL
REVENUE
FUND

| California Law Enforcement Equipment Program | Total Nonmajor Governmental Funds |
|---|--|
| | \$326,249 |
| | 23,817 |
| | 9,985 |
| | <u>269,255</u> |
| | <u>629,306</u> |
| | 82 |
| \$500 | 100,500 |
| | <u>421,285</u> |
| <u>500</u> | <u>521,867</u> |
| <u>(500)</u> | <u>107,439</u> |
| | <u>(72,100)</u> |
| | <u>(72,100)</u> |
| (500) | 35,339 |
| <u>10,712</u> | <u>491,776</u> |
| <u>\$10,212</u> | <u>\$527,115</u> |

TOWN OF WOODSIDE
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

| | TRAFFIC SAFETY | | | ROAD IMPACT FEES | | |
|--|----------------|-----------------|------------------------------------|------------------|------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Fees and permits | | | | \$400,000 | \$326,249 | (\$73,751) |
| Fines and forfeiture | \$30,000 | \$23,817 | (\$6,183) | | | |
| Interest | 200 | 454 | 254 | 7,500 | 8,269 | 769 |
| Other agencies | 2,000 | 1,291 | (709) | | | |
| Total Revenues | <u>32,200</u> | <u>25,562</u> | <u>(6,638)</u> | <u>407,500</u> | <u>334,518</u> | <u>(72,982)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Planning and building regulation | | | | | 82 | |
| Safety services | | | | | | |
| Public works | 27,700 | 26,260 | 1,440 | 330,731 | 266,351 | 64,380 |
| Capital outlay | | | | | | |
| Total Expenditures | <u>27,700</u> | <u>26,260</u> | <u>1,440</u> | <u>330,731</u> | <u>266,433</u> | <u>64,380</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>4,500</u> | <u>(698)</u> | <u>(5,198)</u> | <u>76,769</u> | <u>68,085</u> | <u>(8,684)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers (out) | | | | (72,100) | (72,100) | |
| Total Other Financing Sources (Uses) | | | | <u>(72,100)</u> | <u>(72,100)</u> | |
| NET CHANGE IN FUND BALANCES | <u>\$4,500</u> | <u>(698)</u> | <u>(\$5,198)</u> | <u>\$4,669</u> | <u>(4,015)</u> | <u>(\$8,684)</u> |
| BEGINNING FUND BALANCES | | <u>25,622</u> | | | <u>412,922</u> | |
| ENDING FUND BALANCES | | <u>\$24,924</u> | | | <u>\$408,907</u> | |

| GAS TAXES | | | SUPPLEMENTAL LAW ENFORCEMENT SERVICE | | | CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM | | |
|-------------------|--------------------|------------------------------|--------------------------------------|------------------|------------------------------|--|-----------------|------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$111,700 | \$1,262 173,780 | \$1,262 62,080 | \$500 90,000 | \$94,184 | (\$500) 4,184 | | | |
| 111,700 | 175,042 | 63,342 | 90,500 | 94,184 | 3,684 | | | |
| 130,964 | 128,674 | 2,290 | 100,500 | 100,000 | 500 | | \$500 | (\$500) |
| | | | | | | \$10,715 | | 10,715 |
| 130,964 | 128,674 | 2,290 | 100,500 | 100,000 | 500 | 10,715 | 500 | 10,215 |
| (19,264) | 46,368 | 65,632 | (10,000) | (5,816) | 4,184 | (10,715) | (500) | 10,215 |
| | | | | | | | | |
| | | | | | | | | |
| <u>(\$19,264)</u> | 46,368 | <u>\$65,632</u> | <u>(\$10,000)</u> | (5,816) | <u>\$4,184</u> | <u>(\$10,715)</u> | (500) | <u>\$10,215</u> |
| | 42,636 | | | (116) | | | 10,712 | |
| | <u>\$89,004</u> | | | <u>(\$5,932)</u> | | | <u>\$10,212</u> | |

This Page Left Intentionally Blank

AGENCY FUNDS

Agency Funds account for assets held by the Town as agent for individuals, governmental entities, and non-public organizations.

TOWN OF WOODSIDE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Balance</u> <u>June 30, 2008</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2009</u> |
|--|--|------------------|-------------------|--|
| <u>1999 Woodside Road/Whiskey Hill Road Parking District</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$128,117 | \$120,974 | \$133,124 | \$115,967 |
| Interest receivable | 848 | 395 | 848 | 395 |
| | <u>\$128,965</u> | <u>\$121,369</u> | <u>\$133,972</u> | <u>\$116,362</u> |
| <u>Liabilities</u> | | | | |
| Due to bondholders | <u>\$128,965</u> | <u>\$121,369</u> | <u>\$133,972</u> | <u>\$116,362</u> |
| <u>Town Center Pump Station District</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$99,075 | \$16,440 | \$85,736 | \$29,779 |
| Interest receivable | 708 | 91 | 708 | 91 |
| | <u>\$99,783</u> | <u>\$16,531</u> | <u>\$86,444</u> | <u>\$29,870</u> |
| <u>Liabilities</u> | | | | |
| Due to bondholders | <u>\$99,783</u> | <u>\$16,531</u> | <u>\$86,444</u> | <u>\$29,870</u> |
| <u>Trails Gifts & Donations Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$26,904 | \$1,725 | \$460 | \$28,169 |
| Interest receivable | 169 | 101 | 169 | 101 |
| | <u>\$27,073</u> | <u>\$1,826</u> | <u>\$629</u> | <u>\$28,270</u> |
| <u>Liabilities</u> | | | | |
| Accrued liabilities | <u>\$27,073</u> | <u>\$1,826</u> | <u>\$629</u> | <u>\$28,270</u> |
| <u>Mathisen House</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$7,136 | \$180 | | \$7,316 |
| Interest receivable | 51 | 26 | \$51 | 26 |
| | <u>\$7,187</u> | <u>\$206</u> | <u>\$51</u> | <u>\$7,342</u> |
| <u>Liabilities</u> | | | | |
| Accrued liabilities | <u>\$7,187</u> | <u>\$206</u> | <u>\$51</u> | <u>\$7,342</u> |

| | Balance June 30, 2008 | Additions | Deductions | Balance June 30, 2009 |
|---|--------------------------|------------------|------------------|--------------------------|
| <u>Marva Oaks</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$19,854 | \$503 | | \$20,357 |
| Interest receivable | 143 | 73 | \$143 | 73 |
| | <u>\$19,997</u> | <u>\$576</u> | <u>\$143</u> | <u>\$20,430</u> |
| <u>Liabilities</u> | | | | |
| Accrued liabilities | <u>\$19,997</u> | <u>\$576</u> | <u>\$143</u> | <u>\$20,430</u> |
| <u>Town Hall Window Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$5,731 | \$145 | | \$5,876 |
| Interest receivable | 41 | 21 | \$41 | 21 |
| | <u>\$5,772</u> | <u>\$166</u> | <u>\$41</u> | <u>\$5,897</u> |
| <u>Liabilities</u> | | | | |
| Accrued liabilities | <u>\$5,772</u> | <u>\$166</u> | <u>\$41</u> | <u>\$5,897</u> |
| <u>Barkley Reserve Deposit Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$222,305 | \$4,615 | (\$1,018) | \$227,938 |
| Interest receivable | 1,802 | 1,018 | 1,802 | 1,018 |
| | <u>\$224,107</u> | <u>\$5,633</u> | <u>\$784</u> | <u>\$228,956</u> |
| <u>Liabilities</u> | | | | |
| Accrued liabilities | <u>\$224,107</u> | <u>\$5,633</u> | <u>\$784</u> | <u>\$228,956</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments available for operations | \$509,122 | \$144,582 | \$218,302 | \$435,402 |
| Interest receivable | 3,762 | 1,725 | 3,762 | 1,725 |
| | <u>\$512,884</u> | <u>\$146,307</u> | <u>\$222,064</u> | <u>\$437,127</u> |
| <u>Liabilities</u> | | | | |
| Accrued liabilities | \$284,136 | \$8,407 | \$1,648 | \$290,895 |
| Due to bondholders | 228,748 | 137,900 | 220,416 | 146,232 |
| | <u>\$512,884</u> | <u>\$146,307</u> | <u>\$222,064</u> | <u>\$437,127</u> |

This Page Left Intentionally Blank