

**TOWN OF WOODSIDE
BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2010**

TOWN OF WOODSIDE
Basic Financial Statements
For the Year Ended June 30, 2010
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**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, 2010, 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, 2010 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.

As described in Note 10, the City implemented the provision of GASB Statement No. 45, *Accounting and Financial Reporting by Employers of Post Employment Benefits other than Pensions*.

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 19, 2010

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Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

This is the seventh 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 2009-10 are the General Fund, the Library Fund, and the Measure A 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, 2010, the net assets of the Town's Governmental Activities totaled \$21.4 million, as is highlighted in the following chart.

Statement of Assets: Governmental Activities Net Assets at June 30, 2010

	2009-10	2008-09	Inc./ (Dec.)
Cash & Investments	\$ 6,778,995	\$ 6,334,450	\$ 444,545
Other Assets	551,355	965,994	(414,639)
Capital Assets	16,055,492	16,267,307	(211,815)
Total Assets	\$ 23,385,842	\$ 23,567,751	\$ (181,909)
Accounts Payable	123,150	212,368	(89,218)
Compensated Absences	247,102	285,475	(38,373)
Other Post Employment Benefits (OPEB)	150,172	-	150,172
Deposits Payable	1,433,503	1,425,896	7,607
Total Liabilities	\$ 1,953,927	\$ 1,923,739	\$ 30,188
Net Assets:			
Invested in capital assets	16,055,492	16,267,307	(211,815)
Restricted	3,064,549	2,609,356	455,193
Unrestricted	2,311,874	2,767,349	(455,475)
Net Total Assets	\$ 21,431,915	\$ 21,644,012	\$ (212,097)

The total net assets for the Town's Governmental Activities decreased by just over \$212,000 in 2009-10. This decrease is attributable to several things:

- ✓ "Net Assets Invested in Capital Assets" decreased by \$211,815. 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 2009-10, which includes:

Net Reductions to Machinery and Equipment	\$ (14,041)
Additions to Computer Software	8,711
Subtotal	\$ (5,330)
Less: Additions to Accumulated Depreciation	(206,485)
Net Additions to Capital Assets	\$ (211,815)

- ✓ In addition to the decrease in capital assets is an additional net decrease of \$282. This net decrease is comprised of the following components:

- An increase of \$444,545 in cash and investments
- A decrease of \$414,639 in Other Assets
- A decrease of \$89,218 in Accounts Payable

- A decrease of \$38,373 in Compensated Absences
- An increase of \$7,607 in Deposits Payable
- The addition of the OPEB (Other Post Employment Benefits) Liability, in the amount of \$150,172

The increase 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	6/30/2010	6/30/2009	Change
General Fund	\$ 3,743,796	\$ 4,055,285	\$ (311,489)
Library Fund	2,018,771	1,273,507	745,264
Measure A Fund	536,626	485,257	51,369
Other Governmental Funds	479,802	520,401	(40,599)
Total	\$ 6,778,995	\$ 6,334,450	\$ 444,545

Each fund deserves separate comment.

The **General Fund's** Cash and Investments decreased by about 7.7%, or about \$312,000. This decrease reflects the Town's decision to utilize available fund balances to support a series of one-time activities and special projects. During 2009-10, the General Fund supported: (1) the beginning of the General Plan Update process at a cost of \$122,000, which provided facilitator and contract planner services; (2) the review and update of the Town's fee schedule by a consulting firm, at a cost of \$40,000; (3) the renewal of the Barkley Fields and Parks Conditional Use Permit, requiring the retention of traffic and noise consultants, at a cost of about \$6,900; (4) the hiring of an intern to assist in the Records Retention project, at a cost of about \$25,000; (5) continuing implementation costs for the Town's permit management system (*Trakit*), including its linkage to the Town's website, at a cost of about \$20,000; (6) the update of a major environmental document that addressed the proposed demolition of a historic structure, for which funds were deposited by the applicant in prior years, but expended in 2009-10, at a cost of about \$40,000; (7) the replacement of doors and installation of accessibility features at Town Hall, at a cost of about \$16,000; (8) preliminary design costs for a pilot water reclamation project at the Town Hall complex, at a cost of about \$11,000; (9) contractual landscape installation projects around the Town Center, at a cost of about \$19,300; and (10) a one-time buy-out of accumulated leave, at a cost of about \$20,000 .

The Town's **Library Fund** experienced a 58.5%, or roughly \$745,000, increase in Cash and Investments from June 30, 2009 to June 30, 2010. 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. The Town received both the Fiscal Year 2009 and Fiscal Year 2010 property tax remittance during the fiscal year ending June 30th, resulting in two years worth of funds being deposited. This accounts for the substantial jump in cash on hand at June 30th for this fund.

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. Expenditures on the Road Program in 2009-10 were substantially less during 2009-10. Additionally, the Town received a one-time contribution of \$218,536 from the Town of Atherton in exchange for Woodside's share of American Recovery and Reinvestment Act (ARRA) road improvement funds during the fiscal year. These factors contribute to the increase in the Measure A Fund Cash and Investments at June 30th.

The Town's remaining Special Revenue funds account for a \$40,599 decrease in Cash and Investments at June 30, 2010, as is depicted in the next chart.

Fund	6/30/2010	6/30/2009	Net Change
Traffic Safety	\$ 25,965	\$ 24,862	\$ 1,103
Gas Tax	99,712	77,356	\$ 22,356
Law Enforcement Equipment (CLEEP)	10,212	10,212	\$ -
Road Impact Fee	343,913	407,972	\$ (64,059)
Total	\$ 479,802	\$ 520,402	\$ (40,600)

The Gas Tax Fund reflects an increase of \$22,356, or 28.9%. This increase resulted from the receipt during the year of about \$51,500 in State Traffic Congestion Relief funds. The Town did not budget for these funds and did not increase its program expenditures during 2009-10 to a level sufficient enough to expend the full grant amount. The decrease in the Road Impact Fee fund reflects the impact of the economic downturn on the collection of development-related fees and an increase in personnel costs. The changes in the Traffic Safety and Law Enforcement Equipment fund are not material.

Other Assets includes revenues accrued as of June 30th. For 2009-10, 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	6/30/2010	6/30/2009	Change
General Fund	\$ 498,466	\$ 487,843	\$ 10,623
Library Fund	2,298	354,588	(352,290)
Measure A Fund	22,751	16,273	6,478
Other Governmental Funds	27,840	107,290	(79,450)
Total	\$ 551,355	\$ 965,994	\$ (414,639)

As was previously discussed, the Town received both the Fiscal Year 2009 and Fiscal Year 2010 revenues for the Library Fund during the year which ended June 30th. As a result, there was a substantial reduction in accrued revenues for the 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 the Citizens Option for Public Safety (COPS) Program, a State-funded program. The Town receives \$100,000 each year under the COPS Program. Because of the State's budget issues throughout 2008-09, no funds were released by the State for the program until after that year had ended. This year, most of these funds were received during the year, precluding the need to accrue any revenue.

As the following chart illustrates, the decrease in **Accounts Payable** of \$89,218 is primarily attributable to the General Fund and the Measure A Fund.

Fund	6/30/2010	6/30/2009	Change
General Fund	\$ 114,354	\$ 164,434	\$ (50,080)
Library Fund	738	925	(187)
Measure A Fund	5,969	46,459	(40,490)
Other Governmental Funds	2,089	550	1,539
Total	\$ 123,150	\$ 212,368	\$ (89,218)

The decrease in the Accounts Payable for the General Fund is attributable to nearly \$50,000 that was accrued for 2008-09 related to the preparation of the addendum to the Environmental Impact Report for 460 Mountain Home Road. In the Measure A Fund, a Road Program contractor payment of about \$45,000 was accrued in 2008-09, whereas in 2009-10, no contractor payments were due at June 30th.

The change in **Deposits Payable**, which increased by \$7,607 during 2009-10, is not material.

Compensated Absences decreased by \$38,373 during 2009-10. 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, 2010, is the result of one employee being out on extended industrial injury leave and using most of his leave balances, and one employee who elected to buy out earned compensatory time.

Finally, under Governmental Accounting Standards Board Statement No. 45 (GASB 45), the Town must disclose the liability related to the provision of **Other Post Employment Benefits (OPEB)**. The Town provides a retiree health benefit for employees who retire from the Town and are vested in the California Public Employees Retirement System (CalPERS). Under the benefit, the Town pays the health insurance premium for retirees. The actuarial report that is required by GASB 45 defines an Annual Required Contribution (ARC), which is a combination of the current year's portion of the amortized unfunded liability for benefits already earned and the benefits that were earned during the year. For the Town, this figure was \$156,417 for the year ending June 30th. Premium payments of \$6,245 were made for the one retiree the Town currently has. The \$150,172 OPEB liability for 2009-2010 is the difference between the ARC and actual premium payments made. More discussion of OPEB can be found in Note 10.

During 2009-10, the Town's Governmental Activities were supported by about \$6.95 million in program and general revenues, derived from many sources, as is summarized in the next chart.

**Statement of Activities: Governmental Activities
2009-10 Revenues by Source**

Source	\$	% of Total
Program Revenues:		
Charges for services	\$ 1,123,773	15.0%
Operating grants & contributions	1,227,428	16.4%
Total Program Revenues	\$ 2,351,201	33.8%
General Revenues:		
Property tax	2,726,757	36.3%
Sales tax	332,450	4.4%
Property transfer tax	76,099	1.0%
Franchises	360,566	4.8%
Business licenses	113,620	1.5%
Interest	43,086	0.6%
Other agencies	629,963	8.4%
Other income	272,546	3.6%
Transfers	48,070	0.6%
Total General Revenues & Transfers	\$ 4,603,157	66.2%
Total Revenues	\$ 6,954,358	100.0%

The "Transfers" category reflects the transfer of \$48,070 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 2009-10 were about \$549,000, or 7.3%, lower than they were in 2008-09, as the following chart depicts.

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

Source	2009-10	2008-09	Inc./Dec. (\$)	Inc./Dec. (%)
Program Revenues:				
Charges for services	\$ 1,123,773	\$ 1,576,406	\$ (452,633)	-28.7%
Operating grants & contributions	1,227,428	1,526,941	(299,513)	-19.6%
Total Program Revenues	\$ 2,351,201	\$ 3,103,347	\$ (752,146)	-24.2%
General Revenues:				
Property tax	2,726,757	2,561,811	164,946	6.4%
Sales tax	332,450	404,393	(71,943)	-17.8%
Property transfer tax	76,099	92,912	(16,813)	-18.1%
Franchises	360,566	368,317	(7,751)	-2.1%
Business licenses	113,620	115,874	(2,254)	-1.9%
Interest	43,086	151,213	(108,127)	-71.5%
Other agencies	629,963	637,240	(7,277)	-1.1%
Other income	272,546	23,576	248,970	1056.0%
Transfers	48,070	44,611	3,459	7.8%
Total General Revenues & Transfers	\$ 4,603,157	\$ 4,399,947	\$ 203,210	4.6%
Total Revenues	\$ 6,954,358	\$ 7,503,294	\$ (548,936)	-7.3%

There are several sources of revenue that contribute to this decrease. Program Revenues were \$752,000, or 24.2%, lower in 2009-10 than in the prior year. Two factors caused this decrease: (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 also received about \$257,000 in prior years' attorney fees through a court-supervised code enforcement settlement in 2008-09. General Revenues and Transfers increased by about \$203,000, or 4.6%. As the chart depicts, Other Income increased by almost \$249,000, or 1,056%. Most of this increase was the result of about \$218,500 received from the Town of Atherton in exchange for federal stimulus funds that were available for Woodside.

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, changes in the balance of compensated absences, and changes to the Town's OPEB liability, 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 \$1,201,562 for 2009-10. This same program reflects total expenses of \$1,245,369 in the next chart, which is taken from the Statement of Activities. The \$43,807 difference is the combination of a depreciation expense of \$4,714, a decrease in compensated absence balances of \$5,959, and a new OPEB liability of \$45,052. 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
2009-10 Expenses by Program**

Program	Total Expense	% of Total
Town Council	\$ 45,227	0.6%
Administration & Finance	1,245,369	17.4%
Planning & Building Regulation	1,291,024	18.0%
Buildings & Grounds	278,238	3.9%
Town-wide Overhead	445,218	6.2%
Safety Services	1,297,682	18.1%
Trails & Stables	40,613	0.6%
Library Services	95,295	1.3%
Public Works	2,176,961	30.4%
Recreation & Open Space	250,828	3.5%
Total	\$ 7,166,455	100.0%

Program expenditures for the Governmental Activities were \$413,619, or 5.5%, lower in 2009-10 than they were in 2008-09, as the next chart demonstrates. A discussion of program expenditures for the year and their comparison to 2008-09 is included later in this MD&A.

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

Program	2009-10	2008-09	Inc./Dec. (\$)	Inc./Dec. (%)
Town Council	\$ 45,227	\$ 29,701	\$ 15,526	52.3%
Administration & Finance	1,245,369	1,133,373	111,996	9.9%
Planning & Building Regulation	1,291,024	1,945,639	(654,615)	-33.6%
Buildings & Grounds	278,238	275,896	2,342	0.8%
Town-wide Overhead	445,218	364,871	80,347	22.0%
Safety Services	1,297,682	1,202,667	95,015	7.9%
Trails & Stables	40,613	38,449	2,164	5.6%
Library Services	95,295	82,067	13,228	16.1%
Public Works	2,176,961	2,223,291	(46,330)	-2.1%
Recreation & Open Space	250,828	284,120	(33,292)	-11.7%
Total	\$ 7,166,455	\$ 7,580,074	\$ (413,619)	-5.5%

The negative change in net assets from 2008-09 to 2009-10 of \$212,097 reported and discussed earlier, is equal to the difference between the total revenues of \$6,954,358 and total expenses of \$7,166,455 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**

	2009-10	2008-09	Inc./Dec.
Cash & Investments	\$ 735,118	\$ 837,844	\$ (102,726)
Other Assets	28,416	51,007	(22,591)
Capital Assets	985,176	1,078,005	(92,829)
Total Assets	\$ 1,748,710	\$ 1,966,856	\$ (218,146)
Accounts Payable	13,062	2,396	10,666
Deposits Payable	24,583	43,785	(19,202)
Total Liabilities	\$ 37,645	\$ 46,181	\$ (8,536)
Net Assets:			
Invested in capital assets	985,176	1,078,005	(92,829)
Unrestricted	725,889	842,670	(116,781)
Net Total Assets	\$ 1,711,065	\$ 1,920,675	\$ (209,610)

As is reported in the Statement of Activities, the change in net assets for the Town's Business-type Activities as of June 30, 2010, was a decrease of \$209,610. The following table outlines the components of this decrease.

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

	2009-10	2008-09	Inc./Dec.
Expenses	\$ 339,542	\$ 291,803	\$ 47,739
Program Revenues:			
Charges for services	172,185	238,250	(66,065)
Net Revenue (Expense)	\$ (167,357)	\$ (53,553)	\$ (113,804)
General Revenues:			
Interest	\$ 5,817	\$ 18,702	(12,885)
Transfers	(48,070)	(44,611)	(3,459)
Total General Revenue and Transfers	\$ (42,253)	\$ (25,909)	\$ (16,344)
Change in Net Assets	(209,610)	(79,462)	(130,148)

Expenses were higher in 2009-10, reflecting the engagement of a contract engineer to prepare a Sewer Capital Master Plan and slightly higher maintenance costs. Charges for service were higher by about \$66,000 in 2008-09 because of the receipt in that year of sewer connections fees, an event not repeated in 2009-10. The "Transfers" of \$48,070 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, 2010, were about \$21.4 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.

2009-10 Net Assets - Governmental Funds

Governmental Funds	Total Assets	Total Liabilities	Fund Balance/ Net Assets
General Fund	\$ 4,257,005	\$ 1,547,857	\$ 2,709,148
Library Operations Fund	2,021,069	738	2,020,331
Measure A Fund	559,377	5,969	553,408
Other Governmental Funds	507,642	16,832	490,810
Subtotal	\$ 7,345,093	\$ 1,571,396	\$ 5,773,697
Capital Assets			16,055,492
Non-current Portion of Compensated Absences			(247,102)
OPEB Liability			(150,172)
Total Net Assets			\$ 21,431,915

Total Net Assets decreased by just about \$212,000, or .98%, as is highlighted in the following chart.

Two-year Comparison of Net Assets - Governmental Funds

Governmental Funds	2009-10	2008-09	Inc./Dec. (\$)	Inc./Dec. (%)
Total Assets	\$ 7,345,093	\$ 7,400,471	\$ (55,378)	-0.75%
Total Liabilities	1,571,396	1,738,291	(166,895)	-9.60%
Fund Balance/Net Assets	\$ 5,773,697	\$ 5,662,180	\$ 111,517	1.97%
Capital Assets	16,055,492	16,267,307	(211,815)	-1.30%
Non-current Portion of Compensated Absences	(247,102)	(285,475)	38,373	-13.44%
OPEB Liability	(150,172)	-	(150,172)	---
Total Net Assets	\$ 21,431,915	\$ 21,644,012	\$ (212,097)	-0.98%

The combined fund balances of \$5,773,697 from the various Governmental Funds comprise about 26.9% of Total Net Assets at June 30, 2010. These fund balances increased by \$111,517, or 1.97%, during 2009-10. 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, 2010**

Governmental Funds	Total Revenues	Total Expenditures	Excess/(Def.) of Revenues	Other Financing Sources/(Uses)	Net Change in Fund Balance
General	\$ 5,338,718	\$ 5,421,321	\$ (82,603)	\$ (261,073)	\$ (343,676)
Library Operations Fund	504,313	95,295	409,018	(15,857)	393,161
Measure A Fund	471,058	785,221	(314,163)	412,500	98,337
Other Governmental Funds	592,199	541,004	51,195	(87,500)	(36,305)
Subtotal	\$ 6,906,288	\$ 6,842,841	\$ 63,447	\$ 48,070	\$ 111,517
Beginning Fund Balances					5,662,180
Ending Fund Balances					\$ 5,773,697

The following chart provides a comparison of the components that made up the net change in fund balances for the Governmental Funds for 2009-10 and 2008-09.

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

Governmental Funds	2009-10	2008-09	Inc./Dec. (\$)	Inc./Dec. (%)
Total Revenues	\$ 6,906,288	\$ 7,458,683	\$ (552,395)	-7.41%
Total Expenditures	6,842,841	8,231,015	(1,388,174)	-16.87%
Excess/(Deficiency) of Revenues	\$ 63,447	\$ (772,332)	\$ 835,779	-108.21%
Other Financing Sources/(Uses)	48,070	44,611	3,459	7.75%
Net Change in Fund Balance	\$ 111,517	\$ (727,721)	\$ 839,238	-115.32%
Beginning Fund Balance	5,662,180	6,389,901	(727,721)	-11.39%
Ending Fund Balance	\$ 5,773,697	\$ 5,662,180	\$ 111,517	1.97%

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.

2009-10 General Fund Performance

Revenues	\$ 5,338,718
Expenditures	5,421,321
Excess of Expenditures	\$ (82,603)
Other Financing Sources (Uses)	
Transfers In	238,927
Transfers Out	(500,000)
Net Other Sources	\$ (261,073)
Increase (Decrease) to Fund Balance	(343,676)
Beginning Fund Balance	3,052,824
Ending Fund Balance	\$ 2,709,148

The General Fund ended the 2009-10 fiscal year with a fund balance of \$2,709,148, about \$344,000 less than the \$3.05 million on hand at June 30, 2009. This decrease resulted from the net impact of the fund's financial performance for the fiscal year, as summarized in the foregoing chart.

The General Fund experienced a reduction of revenue receipts during 2009-10. The following charts illustrate 2009-10 revenue performance contrasted with 2008-09 results of operation and 2009-10 revenue performance compared with budgetary expectations for the fiscal year.

Two-year Comparison of General Fund Revenues

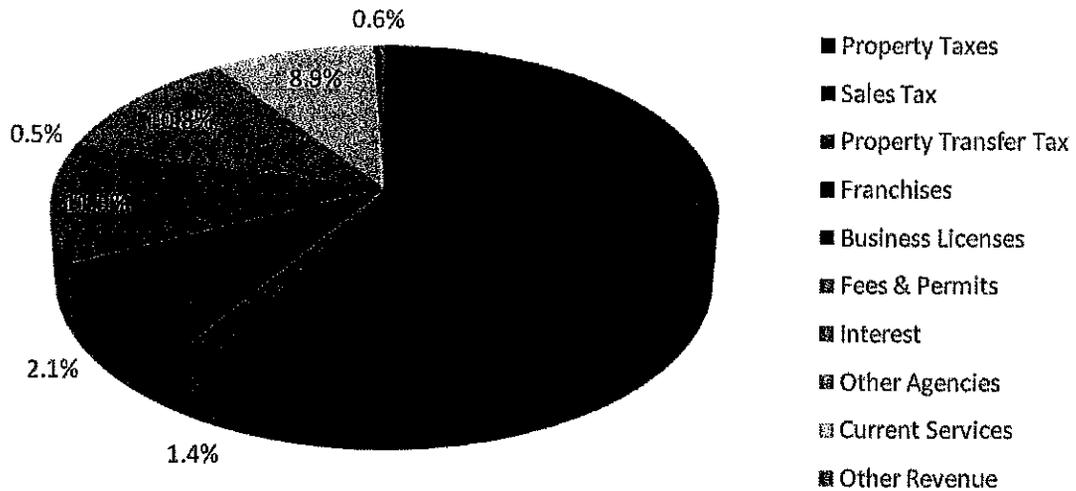
Category	2009-10	2008-09	Inc. (Dec.) \$	Inc. (Dec.) %
Property Taxes	\$ 2,726,757	\$ 2,561,811	\$ 164,946	6.4%
Sales Tax	332,450	404,393	(71,943)	-17.8%
Property Transfer Tax	76,099	92,912	(16,813)	-18.1%
Franchises	360,566	368,317	(7,751)	-2.1%
Business Licenses	113,620	115,874	(2,254)	-1.9%
Fees & Permits	614,785	696,914	(82,129)	-11.8%
Interest	28,020	102,088	(74,068)	-72.6%
Other Agencies	578,544	589,563	(11,019)	-1.9%
Current Services	475,307	852,642	(377,335)	-44.3%
Other Revenue	32,570	25,318	7,252	28.6%
Total Revenues	\$ 5,338,718	\$ 5,809,832	\$ (471,114)	-8.1%

The General Fund recognized total revenues of \$5,338,718 in 2009-10, as compared with \$5,809,832 in 2008-09. This reflects an 8.1%, or about \$471,000, decrease.

2009-10 General Fund Revenues: Budget vs. Actual

Category	2009-10		Over/(Under) \$	Over/(Under) %
	Budget	Actual		
Property Taxes	\$ 2,574,503	\$ 2,726,757	\$ 152,254	5.9%
Sales Tax	425,200	332,450	(92,750)	-21.8%
Property Transfer Tax	100,000	76,099	(23,901)	-23.9%
Franchises	348,400	360,566	12,166	3.5%
Business Licenses	136,000	113,620	(22,380)	-16.5%
Fees & Permits	750,000	614,785	(135,215)	-18.0%
Interest	91,500	28,020	(63,480)	-69.4%
Other Agencies	624,363	578,544	(45,819)	-7.3%
Current Services	462,600	475,307	12,707	2.7%
Other Revenue	23,000	32,570	9,570	41.6%
Total Revenues	\$ 5,535,566	\$ 5,338,718	\$ (196,848)	-3.6%

Total General Fund revenues for 2009-10 were 3.6%, or about \$197,000, below the budgeted level. The following chart provides a depiction of the proportional contribution each category of revenue made to the General Fund in 2009-10.

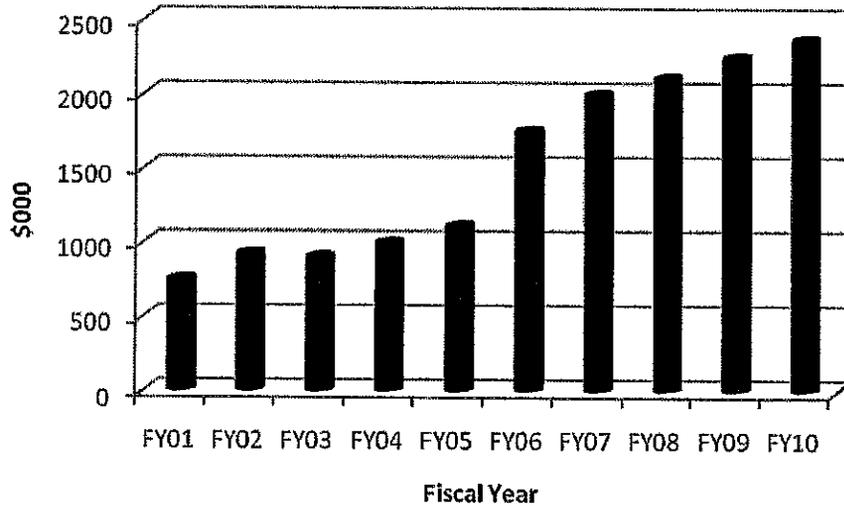


The foregoing charts invite focused discussion of several of the General Fund's revenue sources:

- ☑ **Property Taxes** are usually the General Fund's largest revenue source and in 2009-10, they comprised over one-half (51.1%) of revenues received for the fiscal year. As the second chart demonstrates, property taxes exceeded budgetary expectations by almost 6%, or \$152,254. 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 \$750,000 in 2000-01 to \$2.37 million in 2009-10. 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 \$650,000 a year.

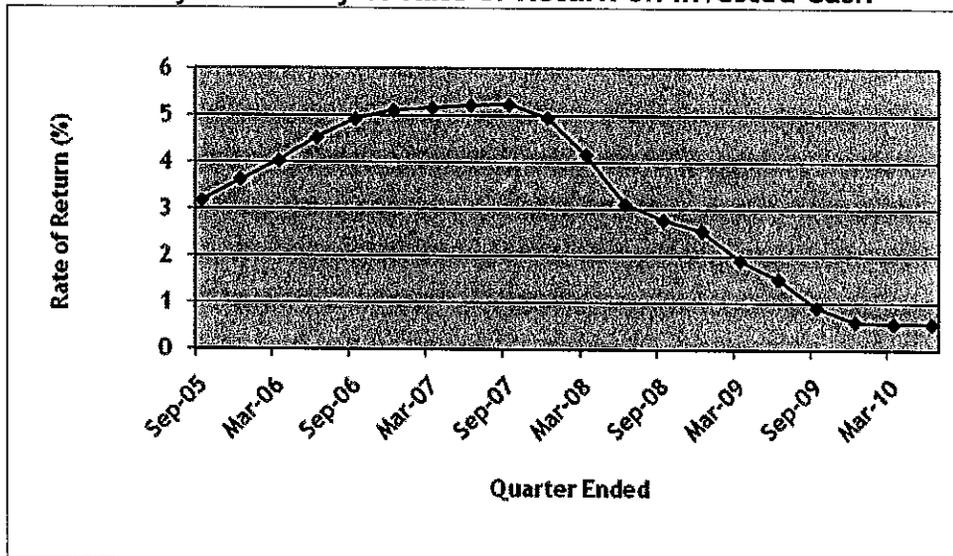
Ten-year History of Secured Property Tax Receipts



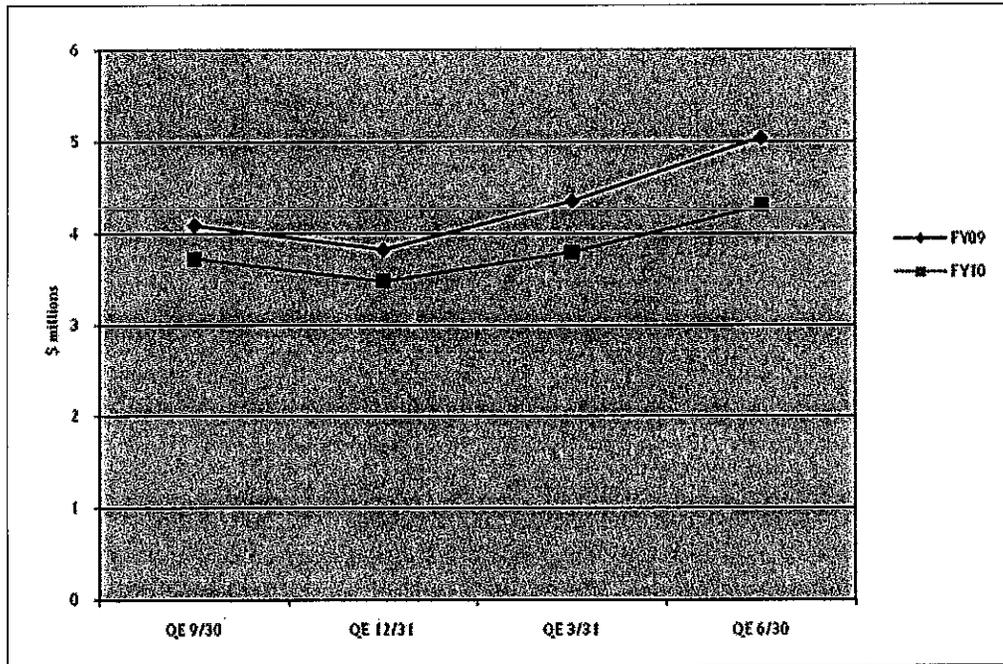
- Interest Income** came in nearly 70%, or about \$63,500, below the budgeted level. Compared to 2008-09, interest earnings were down 72.6%, or about \$74,000. One key aspect of the decrease was the continuing deterioration of the rate of return on invested idle cash. The average rate of return two years ago was 4.37%, fell to 2.18% in 2008-09, and was only 0.66% in 2009-10. 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 0.56% rate of return at June, 30, 2010, 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 2009-10 as compared with 2008-09. 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.

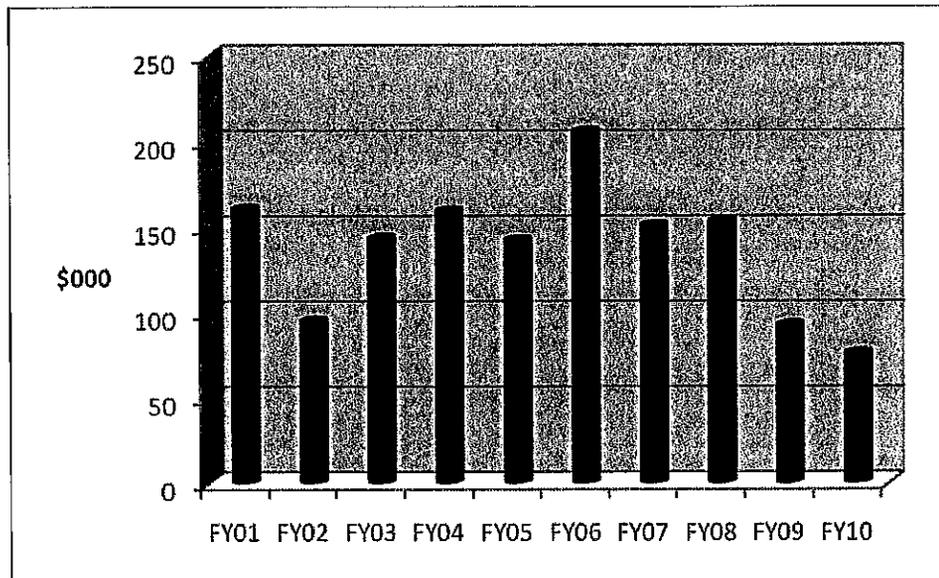
Five-year History of Rate of Return on Invested Cash



General Fund Idle Cash: 2008-09 and 2009-10



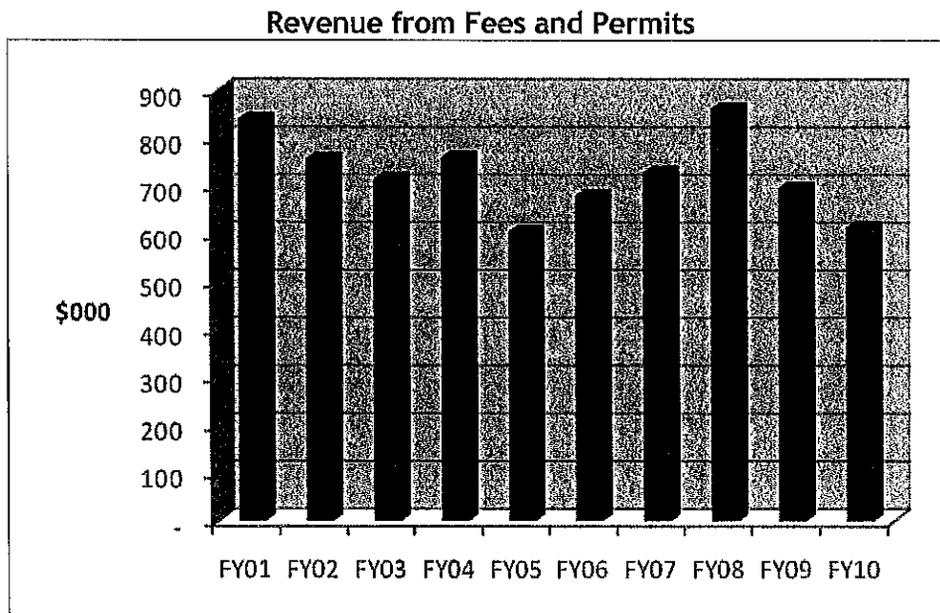
- Property Transfer Taxes** also decreased in 2009-10, with \$76,099 received in 2009-10 versus \$92,912 received in 2008-09, an 18.1% decrease. These taxes underperformed the budgeted level in 2009-10 by about \$24,000, or 23.9%. This tax is assessed at the time that property is sold and is based upon 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 2009-10 were the lowest in the ten year period. The high over the period was in 2005-06 when the Town received just over \$206,000. The Town receives 65¢ for every \$1,000 of sales price valuation, or \$650 per \$1,000,000. This means that about \$117 million of property traded hands in 2009-10, while \$143 million did so in 2008-09. 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 about \$82,000 in 2009-10, a decline of 11.8%. Revenues from this source fell short of the budgeted level by over \$135,000, or 18.0%. 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.



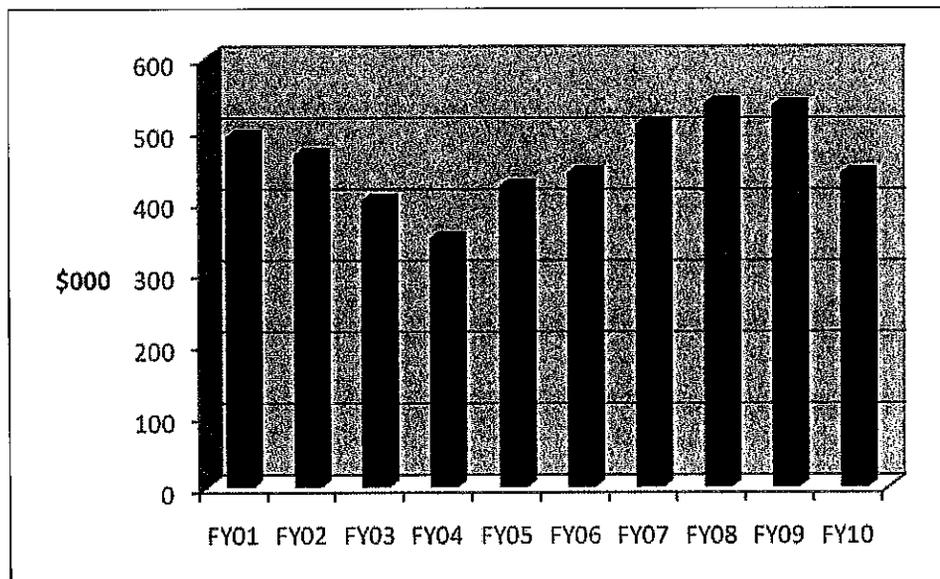
Fees and permit revenues are impacted by two factors: (1) the level of development activity and (2) the type of development activity. These factors must be considered together. For example, the level of activity may be very high, with several hundred permit applications submitted. If all of these applications 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 17.8%, or \$71,943, decrease from the prior year's level and came in under 2009-10 budget levels by 21.8%, or \$92,750. 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 2009-10 was the shift of \$106,898 in Town sales tax receipts to the State. This means, in effect, that the Town's actual sales tax receipts for the year were \$439,348. In 2008-09, the State diverted \$130,076 from the Town, which means that actual sales taxes that year were \$534,469.

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 decreased in 2009-10 from the 2008-09 level by about \$377,000, or 44.3%. The Town undertook environmental and legal review for one large development application during 2008-09, resulting in about \$210,000 more in deposit fees being recognized in 2008-09 versus 2009-10. Additionally, the Town received extraordinary miscellaneous revenue of about \$257,000 for a code enforcement settlement in 2008-09. These two items were offset in part by \$30,000 received when the funds that supported the Town Center Pump Station debt service were closed and the balances transferred to the General Fund.

The 2009-10 revenues of \$475,905 exceeded budgetary expectations by about \$13,000, or 2.7%. This primarily reflects the revenue associated with the closing of the debt service funds mentioned above. 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 2009-10, the Town received \$578,544 from this source. This was just over \$11,000 less than it received in 2008-09 and nearly \$46,000 less than was included in the 2009-10 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.

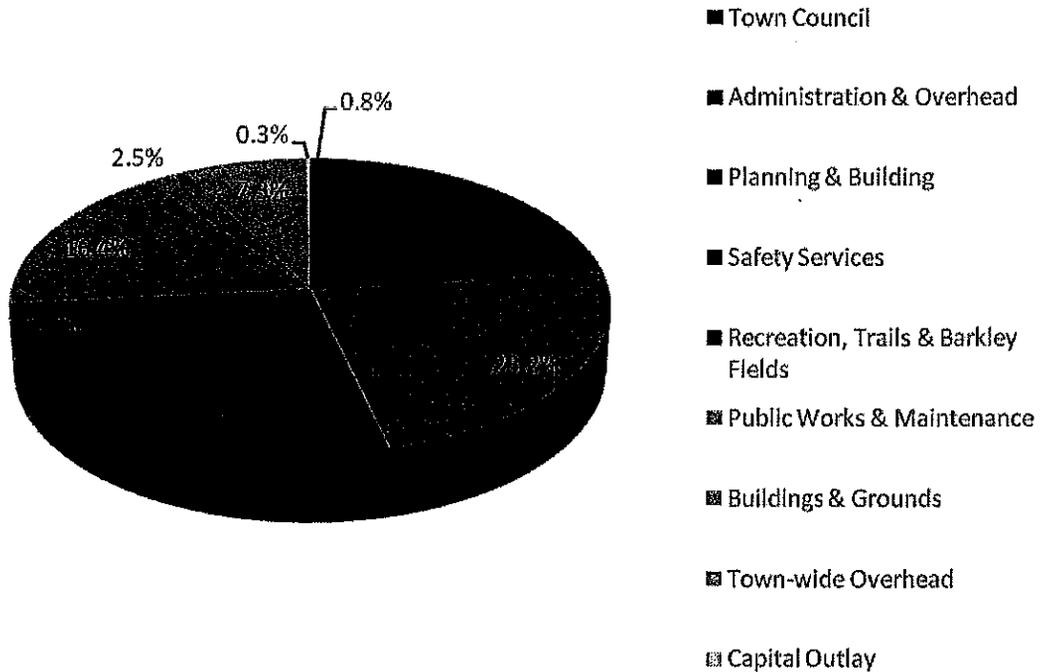
Fiscal Year	To State	From State	Difference
2004-05	\$ 82,775	\$ 74,609	\$ (8,166)
2005-06	104,388	112,630	\$ 8,242
2006-07	123,550	105,370	\$ (18,180)
2007-08	129,994	145,736	\$ 15,742
2008-09	130,076	140,587	\$ 10,511
2009-10	106,898	101,351	\$ (5,547)
Total	\$ 677,681	\$ 680,283	\$ 2,602

As the table illustrates, the State attempts to make the Town whole in the fiscal year following an underpayment. After six years, the Town is in a positive position of \$2,602. 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 had a subpar year, with revenues trailing both the 2008-09 actual and 2009-10 budgeted levels.

General Fund expenditures totaled \$5,421,313 in 2009-10, a decrease of 6.4%, or \$370,362, from 2008-09, and \$100,204, or 1.8%, below the 2009-10 budgeted level.

The following chart provides an illustration of how the total expenditures for 2009-10 were categorized by department or program.



The following charts depict the differences between 2009-10 and 2008-09 and the budget versus actual for 2009-10.

	2009-10	2008-09	Inc. (Dec.) \$	Inc. (Dec.) %
Town Council	\$ 45,227	\$ 29,701	\$ 15,526	52.3%
Administration & Finance	1,201,562	1,134,283	67,279	5.9%
Planning & Building Regulation	1,256,048	1,948,974	(692,926)	-35.6%
Buildings & Grounds	137,084	134,742	2,342	1.7%
Town-wide Overhead	394,676	664,907	(270,231)	-40.6%
Safety Services	1,188,809	1,093,294	95,515	8.7%
Trails & Stables	40,613	38,449	2,164	5.6%
Public Works	891,123	395,803	495,320	125.1%
Recreation & Open Space	250,828	284,120	(33,292)	-11.7%
Capital Outlay	15,351	67,402	(52,051)	-77.2%
Total Expenditures	\$ 5,421,321	\$ 5,791,675	\$ (370,354)	-6.4%

2008-09 General Fund Expenditures: Budget vs. Actual

	2009-10 Budget	2009-10 Actual	Over/(Under) \$	Over/(Under) %
Town Council	\$ 46,500	\$ 45,227	\$ (1,273)	-2.7%
Administration & Finance	1,217,617	1,201,562	(16,055)	-1.3%
Planning & Building Regulation	1,417,341	1,256,048	(161,293)	-11.4%
Buildings & Grounds	116,567	137,084	20,517	17.6%
Town-wide Overhead	348,000	394,676	46,676	13.4%
Safety Services	1,187,467	1,188,809	1,342	0.1%
Trails & Stables	61,313	40,613	(20,700)	-33.8%
Public Works	846,312	891,123	44,811	5.3%
Recreation & Open Space	263,300	250,828	(12,472)	-4.7%
Capital Outlay	17,100	15,351	(1,749)	-10.2%
Total Expenditures	\$ 5,521,517	\$ 5,421,321	\$ (100,196)	-1.8%

The Town Council Department expended \$15,526 more in 2009-10 than it did during 2008-09. This is the result of two major factors: (1) Municipal Elections are held in the odd numbered years and one was held in November of 2009, at a cost of \$11,000; (2) the Town's Environment Fest is held every other fiscal year and occurred in April of 2010, at a cost of about \$5,000. Neither of these costs was incurred during 2008-09. The expenditures for this department were 2.7%, or \$1,273, below the budgeted amount.

Expenditures for the Administration and Finance program area increased by \$67,279 from 2008-09. This 5.9% increase is primarily attributable to the salary adjustments of the Assistant Town Manager and Town Clerk positions, which cost an additional \$62,500 during 2009-10. Spending for professional services and the Town Attorney were \$23,000 and \$21,000 below budgeted levels, respectively, while costs for part-time help were about \$27,000 over budgeted levels. Taken together, the variances resulted in the department underexpending its 2009-10 budget by about \$16,000, or 1.3%.

Planning and Building Regulation program costs decreased by \$692,926 or 35.6%. There were several reasons for this decrease. The 2009-10 fiscal year was the first year of a reorganization that resulted in the building regulation function being moved to the Public Works Department. The salaries and benefits for the Building Official and Building Inspector were moved to Public Works, resulting in a reduction in department salaries and benefits of about \$285,000. The funds that support outside plan check and building inspection services were also transferred from this department to Public Works, resulting in a reduction of about \$190,000. Additionally, the Department spent approximately \$240,000 less on projects directly supported by applicants, mainly due to the work done on the Environmental Impact Report for the Jackling Estate, in 2008-09. The department underspent its 2009-10 budget by \$161,293, or 11.4%. The budget for professional services to support the General Plan Update was underexpended by about \$140,000, accounting for most of the budget savings.

Expenditures for the Buildings and Grounds Department increased by \$2,342, or 1.7%, during 2009-10. The department overexpended its 2009-10 budget by \$20,517, or 17.6%. Two projects accounted for the overexpenditure. The exterior kitchen doors were water damaged and needed to be replaced, at a cost of about \$10,000, and the final \$10,000 of costs for the engineering associated with a proposed water reclamation project were paid.

Town-wide Overhead decreased by \$270,231 or 40.6%, from the 2008-09 level. This cost decrease is primarily attributable to the purchase and implementation of a new permit tracking system, Trakit, in 2008-09 at a cost of \$248,500 plus the services of the Town's contract Information Technology coordinator. This departmental budget was overexpended by about \$47,000, or 13.4%, during 2009-10, which was largely the result of converting records into electronic format, launching the on-line eTrakit module, and development of a building construction calculator for the Town's website.

Safety Services increased by \$95,515, or 8.7%. 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 2009-10 expenditures were 0.1% above the budgeted level.

Expenditures for Trails and Stables increased by \$2,164 or 5.6%, during 2009-10. This increase is attributable to a slight increase in personnel and supplies costs. The 2009-10 budget was underexpended by \$20,700, or 33.8%. This budget savings reflects the fact that fewer major trail maintenance projects were undertaken than planned, resulting in lower expenses for supplies and equipment rental, as well as the change in personnel referenced above.

The Public Works program area experienced an increase in expenditures of \$495,320, or 125.1% in 2009-10 over 2008-09 levels. This is mostly attributable to the fact that the Town's building regulation function was moved into Public Works, adding \$285,000 in salary and benefit costs associated with the Building Official and Building Inspector, and \$190,000 in costs associated with outside plan check and building inspection services. The department expenditures came in at \$44,811, or 5.3%, above budgeted levels for 2009-10. The overexpenditure stems from the use of outside plan check and engineering services, costing about \$156,000. This was partially offset by salaries and benefits savings of \$94,000 related to a vacant Development Services position and \$11,500 savings in other professional services.

Finally, the Recreation and Open Space program area required \$33,292, or 11.7%, less in 2009-10 than it did in 2008-09. This reduction reflects the impact of a full year's savings that resulted from a modification to the level contractual safety services for Barkley Fields and Park. Expenditures for the Recreation and Open Space program area were \$12,472, or 4.7%, below budgeted levels for the year, which is attributable to the lower operating costs associated with Barkley coming in below budget.

Despite the economic downturn, 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 2009-10, the fund experienced an increase in fund balance of nearly \$100,000.

2009-10 Measure A Fund Performance

Revenues	\$	471,058
Expenditures		785,221
Excess of Expenditures	\$	(314,163)
Other Financing Sources (Uses)		
Transfers In		500,000
Transfers Out		(87,500)
Net Other sources	\$	412,500
Increase to Fund Balance		98,337
Beginning Fund Balance		455,071
Ending Fund Balance	\$	553,408

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 2009-10, the Town also received a one-time allocation of \$218,536 in Atherton local funds, for which the Town exchanged its share of federal economic stimulus funds earmarked for road improvements. 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 2009-10, the Library Operations Fund experienced an increase in fund balances of \$393,161, which is highlighted in the following chart.

2009-10 Library Fund Performance

Revenues	\$	504,313
Expenditures		95,295
Excess of Expenditures	\$	409,018
Other Financing Sources (Uses)		
Transfers In		-
Transfers Out		(15,857)
Net Other sources	\$	(15,857)
Increase to Fund Balance		393,161
Beginning Fund Balance		1,627,170
Ending Fund Balance	\$	2,020,331

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 2009-10, no major

projects were undertaken and the Town received about \$504,000 in property taxes and interest income for the Library Fund. The Town and Library are planning a major renovation of the library within the next year and the fund's healthy cash balances will be utilized to support this undertaking.

▫ **Other Governmental Funds**

Included in this category are the Road Impact Fee, Gas Tax, Traffic Safety, and Supplemental Law Enforcement Services. Taken as a whole, the following chart reflects the performance of these funds during 2009-10.

**2009-10 Performance of
Other Governmental Funds**

Revenues	\$ 592,199
Expenditures	541,004
Excess of Expenditures	\$ 51,195
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	87,500
Net Other Uses	\$ (87,500)
Decrease to Fund Balance	(36,305)
Beginning Fund Balance	527,115
Ending Fund Balance	\$ 490,810

These funds were previously detailed in the foregoing discussion of governmental activities. The net decrease of \$36,305 in fund balances is attributable as follows:

Fund	Net Change
Traffic Safety	\$ 2,969
Road Impact Fee	(65,504)
Gas Tax	25,192
Supplemental Law Enforcement	1,038
Total	\$ (36,305)

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 \$183,740. The components of these changes include:

Fund	Description	Amount
General	Support records retention and TrakIt implementation activities, code enforcement legal costs, employee leave buyout, maintenance of the TrakIt software, the 2009 Municipal Election, operation and the Backyard Habitat program	\$113,740
General	Support the cost of utilities and maintenance of Barkley Fields and Park	\$20,000
General	Support final project cost of preparation of environmental documents for private development applications	\$50,000
	Total	\$183,740

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

Capital Assets

As of June 30, 2010, 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 30 th						
	Governmental Activities		Business-type Activities		Total	Total
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -	\$ 9,468,373	\$ 9,468,373
Buildings & improvements	6,032,484	6,173,638	-	-	6,032,484	6,173,638
Machinery & Equipment	271,836	300,666	1,947	3,892	273,783	304,558
Computer Software	282,799	324,630	-	-	282,799	324,630
Pumps & Collection Systems	-	-	983,229	1,074,113	983,229	1,074,113
Total	\$ 16,055,492	\$ 16,267,307	\$ 985,176	\$ 1,078,005	\$17,040,668	\$17,345,312

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

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, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$6,778,995	\$735,118	\$7,514,113
Accounts and other receivables	551,355	3,833	555,188
Loans receivable (Note 4)		24,583	24,583
Capital assets (Note 5)			
Nondepreciable	9,468,373		9,468,373
Depreciable, net of accumulated depreciation	6,587,119	985,176	7,572,295
Total Assets	<u>23,385,842</u>	<u>1,748,710</u>	<u>25,134,552</u>
LIABILITIES			
Accounts payable and accrued liabilities	123,150	13,062	136,212
Compensated absences (Note 2G)	247,102		247,102
Deposits payable	1,433,503	24,583	1,458,086
OPEB liability - due in more than 1 year (Note 10)	150,172		150,172
Total Liabilities	<u>1,953,927</u>	<u>37,645</u>	<u>1,991,572</u>
NET ASSETS (Note 8)			
Invested in capital assets	16,055,492	985,176	17,040,668
Restricted for:			
Special revenue programs	3,069,443		3,069,443
Total Restricted Net Assets	<u>3,069,443</u>		<u>3,069,443</u>
Unrestricted	2,306,980	725,889	3,032,869
Total Net Assets	<u>\$21,431,915</u>	<u>\$1,711,065</u>	<u>\$23,142,980</u>

See accompanying notes to financial statements

TOWN OF WOODSIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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	\$45,227			(\$45,227)		(\$45,227)
Administration and finance	1,245,369	\$89,865		(1,155,504)		(1,155,504)
Planning and building regulation	1,291,024	663,316		(627,708)		(627,708)
Building and grounds	278,238	5,275		(272,963)		(272,963)
Town-wide overhead	445,218			(445,218)		(445,218)
Safety services	1,297,682	3,521	\$101,039	(1,193,122)		(1,193,122)
Trails and stables	40,613	29,250		(11,363)		(11,363)
Library services	95,295		494,149	398,854		398,854
Public works	2,176,961	198,573	632,240	(1,346,148)		(1,346,148)
Recreation and open space	250,828	133,973		(116,855)		(116,855)
Total Governmental Activities	7,166,455	1,123,773	1,227,428	(4,815,254)		(4,815,254)
Business-type Activities:						
Sewer revolving	10,000	19,674			\$9,674	9,674
Sewer utility	219,602	143,211			(76,391)	(76,391)
Town center pump sewer	83,136				(83,136)	(83,136)
Cañada Corridor sewer	26,804	9,300			(17,504)	(17,504)
Total Business-type Activities	339,542	172,185			(167,357)	(167,357)
Total	\$7,505,997	\$1,295,958	\$1,227,428	(4,815,254)	(167,357)	(4,982,611)
General revenues:						
Taxes						
Property taxes				2,726,757		2,726,757
Sales tax				332,450		332,450
Property transfer tax				76,099		76,099
Franchises				360,566		360,566
Business licenses				113,620		113,620
Fines and forfeiture				695		695
Interest				43,086	5,817	48,903
Other agencies				629,963		629,963
Other				271,851		271,851
Transfers (Note 6)				48,070	(48,070)	
Total general revenues and transfers				4,603,157	(42,253)	4,560,904
Change in Net Assets				(212,097)	(209,610)	(421,707)
Net Assets-Beginning				21,644,012	1,920,675	23,564,687
Net Assets-Ending				\$21,431,915	\$1,711,065	\$23,142,980

See accompanying notes to financial statements

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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 2010. 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.

TOWN OF WOODSIDE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010

	General	Library Operations	Measure A Funds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$3,743,796	\$2,018,771	\$536,626	\$479,802	\$6,778,995
Accounts and other receivables	498,466	2,298	22,751	27,840	551,355
Due from other funds (Note 6B)	14,743				14,743
Total Assets	\$4,257,005	\$2,021,069	\$559,377	\$507,642	\$7,345,093
LIABILITIES					
Accounts payable and accrued liabilities	\$114,354	\$738	\$5,969	\$2,089	\$123,150
Due to other funds (Note 6B)				14,743	14,743
Deposit Payable	1,433,503				1,433,503
Total Liabilities	1,547,857	738	5,969	16,832	1,571,396
FUND BALANCES (Note 8)					
Unreserved, designated for:					
Contingencies and future operations	800,808				800,808
Unreserved, undesignated reported in:					
General fund	1,908,340				1,908,340
Special revenue funds		2,020,331	553,408	490,810	3,064,549
Total Fund Balances	2,709,148	2,020,331	553,408	490,810	5,773,697
Total Liabilities and Fund Balances	\$4,257,005	\$2,021,069	\$559,377	\$507,642	

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.

16,055,492

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:

OPEB Liability

(150,172)

Non-current portion of compensated absences

(247,102)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$21,431,915

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, 2010

	General	Library Operations	Measure A Funds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$2,726,757				\$2,726,757
Sales tax	332,450				332,450
Property transfer tax	76,099				76,099
Franchises	360,566				360,566
Business licenses	113,620				113,620
Fees and permits	614,785			\$306,636	921,421
Fines and forfeiture	695			30,192	30,887
Interest	28,020	\$10,164	\$1,721	3,181	43,086
Other agencies	578,544	494,149	225,871	252,190	1,550,754
Current services	475,307				475,307
Other	31,875		243,466		275,341
Total Revenues	5,338,718	504,313	471,058	592,199	6,906,288
EXPENDITURES					
Current:					
Town council	45,227				45,227
Administration and finance	1,201,562				1,201,562
Planning and building regulation	1,256,048				1,256,048
Building and grounds	137,084				137,084
Town-wide overhead	394,676				394,676
Safety services	1,188,809			100,000	1,288,809
Trails and stables	40,613				40,613
Library services		95,295			95,295
Public works	891,123		768,111	441,004	2,100,238
Recreation and open space	250,828				250,828
Capital outlay	15,351		17,110		32,461
Total Expenditures	5,421,321	95,295	785,221	541,004	6,842,841
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82,603)	409,018	(314,163)	51,195	63,447
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 6)	238,927		500,000		738,927
Transfers (out) (Note 6)	(500,000)	(15,857)	(87,500)	(87,500)	(690,857)
Total Other Financing Sources (Uses)	(261,073)	(15,857)	412,500	(87,500)	48,070
NET CHANGE IN FUND BALANCES	(343,676)	393,161	98,337	(36,305)	111,517
BEGINNING FUND BALANCES	3,052,824	1,627,170	455,071	527,115	5,662,180
ENDING FUND BALANCES	\$2,709,148	\$2,020,331	\$553,408	\$490,810	\$5,773,697

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, 2010

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	\$111,517
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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.	32,442
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Depreciation expense is deducted from fund balance	(241,665)
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Loss on capital asset deletion is deducted from the fund balance	(2,592)
--	---------

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):

OPEB expenses	(150,172)
Compensated absences	38,373

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>(\$212,097)</u></u>
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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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$2,574,503	\$2,574,503	\$2,726,757	\$152,254
Sales tax	425,200	425,200	332,450	(92,750)
Property transfer tax	100,000	100,000	76,099	(23,901)
Franchises	348,400	348,400	360,566	12,166
Business licenses	136,000	136,000	113,620	(22,380)
Fees and permits	750,000	750,000	614,785	(135,215)
Fines and forfeiture	2,000	2,000	695	(1,305)
Interest	91,500	91,500	28,020	(63,480)
Other agencies	624,363	624,363	578,544	(45,819)
Current services	462,600	462,600	475,307	12,707
Other	21,000	21,000	31,875	10,875
Total Revenues	5,535,566	5,535,566	5,338,718	(196,848)
EXPENDITURES:				
Current:				
Town council	40,000	46,500	45,227	1,273
Administration and finance	1,169,117	1,217,617	1,201,562	16,055
Planning and building regulation	1,342,341	1,417,341	1,256,048	161,293
Building and grounds	116,567	116,567	137,084	(20,517)
Town-wide overhead	326,000	348,000	394,676	(46,676)
Safety services	1,187,467	1,187,467	1,188,809	(1,342)
Trails and stables	27,389	61,313	40,613	20,700
Public works	830,672	846,312	891,123	(44,811)
Recreation and open space	243,300	263,300	250,828	12,472
Capital outlay	54,924	17,100	15,351	1,749
Total Expenditures	5,337,777	5,521,517	5,421,321	100,196
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	197,789	14,049	(82,603)	(96,652)
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 6)		457,052	238,927	(218,125)
Transfers (out) (Note 6)	(710,125)	(718,125)	(500,000)	218,125
Total Other Financing Sources (Uses)	(710,125)	(261,073)	(261,073)	
NET CHANGE IN FUND BALANCE	(\$512,336)	(\$247,024)	(343,676)	(\$96,652)
BEGINNING FUND BALANCE			3,052,824	
ENDING FUND BALANCE			\$2,709,148	

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$25,000	\$25,000	\$10,164	(\$14,836)
Other agencies	100,000	100,000	494,149	394,149
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>504,313</u>	<u>379,313</u>
EXPENDITURES:				
Current:				
Library services	79,198	79,198	95,295	(16,097)
Capital outlay	60,000	60,000		60,000
Total Expenditures	<u>139,198</u>	<u>139,198</u>	<u>95,295</u>	<u>43,903</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,198)</u>	<u>(14,198)</u>	<u>409,018</u>	<u>423,216</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 6)	<u>(15,857)</u>	<u>(15,857)</u>	<u>(15,857)</u>	<u></u>
Total Other Financing Sources (Uses)	<u>(15,857)</u>	<u>(15,857)</u>	<u>(15,857)</u>	<u></u>
NET CHANGE IN FUND BALANCE	<u>(\$30,055)</u>	<u>(\$30,055)</u>	393,161	<u>\$423,216</u>
BEGINNING FUND BALANCE			<u>1,627,170</u>	
ENDING FUND BALANCE			<u>\$2,020,331</u>	

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$7,300	\$7,300	\$1,721	(\$5,579)
Other agencies	230,000	230,000	225,871	(4,129)
Other	<u>185,000</u>	<u>185,000</u>	<u>243,466</u>	<u>58,466</u>
Total Revenues	<u>422,300</u>	<u>422,300</u>	<u>471,058</u>	<u>48,758</u>
EXPENDITURES:				
Current:				
Public works	900,704	1,280,704	768,111	512,593
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>17,110</u>	<u>12,890</u>
Total Expenditures	<u>930,704</u>	<u>1,310,704</u>	<u>785,221</u>	<u>525,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(508,404)</u>	<u>(888,404)</u>	<u>(314,163)</u>	<u>574,241</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 6)		500,000	500,000	
Transfers (out) (Note 6)	<u>(87,500)</u>	<u>(87,500)</u>	<u>(87,500)</u>	
Total Other Financing Sources (Uses)	<u>(87,500)</u>	<u>412,500</u>	<u>412,500</u>	
NET CHANGE IN FUND BALANCE	<u>(\$595,904)</u>	<u>(\$475,904)</u>	98,337	<u>\$574,241</u>
BEGINNING FUND BALANCE			<u>455,071</u>	
ENDING FUND BALANCE			<u>\$553,408</u>	

See accompanying notes to financial statements

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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 2010.

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, 2010

	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)	\$142,419	\$120,088	\$462,484	\$10,127	\$735,118
Accounts and other receivables	194	2,999	626	14	3,833
Loans receivable (Note 4)	24,583				24,583
Total Current Assets	167,196	123,087	463,110	10,141	763,534
Noncurrent Assets:					
Capital assets (Note 5)					
Depreciable, net of accumulated depreciation		521	598,993	385,662	985,176
Total Noncurrent Assets		521	598,993	385,662	985,176
Total Assets	167,196	123,608	1,062,103	395,803	1,748,710
LIABILITIES					
Current Liabilities:					
Accounts payable		13,062			13,062
Total Current Liabilities		13,062			13,062
Noncurrent Liabilities:					
Deposit payable	24,583				24,583
Total Noncurrent Liabilities	24,583				24,583
Total Liabilities	24,583	13,062			37,645
NET ASSETS (Note 8)					
Invested in capital assets		521	598,993	385,662	985,176
Unrestricted, designated for:					
Sewer line attachments	142,613	110,025	463,110	10,141	725,889
Total Net Assets	\$142,613	\$110,546	\$1,062,103	\$395,803	\$1,711,065

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, 2010

	Business-type Activities-Enterprise Funds				Totals
	Sewer Revolving	Sewer Utility	Town Center Pump Sewer	Cafiada Corridor Sewer	
OPERATING REVENUES					
Charges for current services	\$19,674	\$143,211		\$9,300	\$172,185
Total Operating Revenues	<u>19,674</u>	<u>143,211</u>		<u>9,300</u>	<u>172,185</u>
OPERATING EXPENSES					
Salaries and related expenses		66,472			66,472
Outside services	10,000	428	\$8,263		18,691
Repairs and maintenance		152,181		9,369	161,550
Depreciation		521	74,873	17,435	92,829
Total Operating Expenses	<u>10,000</u>	<u>219,602</u>	<u>83,136</u>	<u>26,804</u>	<u>339,542</u>
Operating Income (Loss)	<u>9,674</u>	<u>(76,391)</u>	<u>(83,136)</u>	<u>(17,504)</u>	<u>(167,357)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	904	1,809	3,071	33	5,817
Total Nonoperating Revenues (Expenses)	<u>904</u>	<u>1,809</u>	<u>3,071</u>	<u>33</u>	<u>5,817</u>
Income (Loss) Before Transfers	<u>10,578</u>	<u>(74,582)</u>	<u>(80,065)</u>	<u>(17,471)</u>	<u>(161,540)</u>
Transfers out (Note 6)	(5,772)	(20,907)	(18,491)	(2,900)	(48,070)
Net transfers	<u>(5,772)</u>	<u>(20,907)</u>	<u>(18,491)</u>	<u>(2,900)</u>	<u>(48,070)</u>
Change in net assets	4,806	(95,489)	(98,556)	(20,371)	(209,610)
BEGINNING NET ASSETS	<u>137,807</u>	<u>206,035</u>	<u>1,160,659</u>	<u>416,174</u>	<u>1,920,675</u>
ENDING NET ASSETS	<u>\$142,613</u>	<u>\$110,546</u>	<u>\$1,062,103</u>	<u>\$395,803</u>	<u>\$1,711,065</u>

See accompanying notes to financial statements

TOWN OF WOODSIDE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities-Enterprise Funds				
	Sewer Revolving	Sewer Utility	Town Center Pump Sewer	Cañada Corridor Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$19,847	\$144,950	\$1,235	\$9,542	\$175,574
Payments to suppliers	(10,000)	(139,989)	(8,263)	(11,323)	(169,575)
Payments to employees		(66,472)			(66,472)
Cash Flows from Operating Activities	<u>9,847</u>	<u>(61,511)</u>	<u>(7,028)</u>	<u>(1,781)</u>	<u>(60,473)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers (out)	(5,772)	(20,907)	(18,491)	(2,900)	(48,070)
Cash Flows from Noncapital Financing Activities	<u>(5,772)</u>	<u>(20,907)</u>	<u>(18,491)</u>	<u>(2,900)</u>	<u>(48,070)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	904	1,809	3,071	33	5,817
Cash Flows from Investing Activities	<u>904</u>	<u>1,809</u>	<u>3,071</u>	<u>33</u>	<u>5,817</u>
Net Cash Flows	4,979	(80,609)	(22,448)	(4,648)	(102,726)
Cash and investments at beginning of period	137,440	200,697	484,932	14,775	837,844
Cash and investments at end of period	<u>\$142,419</u>	<u>\$120,088</u>	<u>\$462,484</u>	<u>\$10,127</u>	<u>\$735,118</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$9,674	(\$76,391)	(\$83,136)	(\$17,504)	(\$167,357)
Adjustments to reconcile operating income to cash flows from operating activities:					
Depreciation		521	74,873	17,435	92,829
Change in assets and liabilities:					
Accounts receivable	173	1,739	1,235	242	3,389
Accounts payable and other liabilities		12,620		(1,954)	10,666
Cash Flows from Operating Activities	<u>\$9,847</u>	<u>(\$61,511)</u>	<u>(\$7,028)</u>	<u>(\$1,781)</u>	<u>(\$60,473)</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, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and investments available for operations (Note 3)	\$432,031
Interest receivable	733
	<hr/>
Total Assets	<u>\$432,764</u>
LIABILITIES	
Accrued liabilities	\$305,218
Due to bondholders	127,546
	<hr/>
Total Liabilities	<u>\$432,764</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, 2010 was approximately 5,738. 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, 2010, 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 8 employees.

Planning and Building - The Town has 8 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.

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 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. Proposition 1A Borrowing by the State of California and Securitization

Under the provisions of Proposition 1A and as part of the fiscal year 2009-10 budget package passed by the California State legislature on July 28, 2009, the State of California borrowed 8% of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fees, triple flip in lieu sales taxes, and supplemental property taxes, apportioned to the Town. The State is required to repay the \$236,161 it borrowed from the Town, plus interest, by June 30, 2013.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Authorized with the 2009-10 State budget package was the Proposition 1A Securitization Program (Program), administered by the California Statewide Communities Development Authority (“California Communities”), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. Under the Program, the participating cities receive cash equal to their share of State borrowings and forgo interest they otherwise would have received from the State on the unpaid borrowings. The Town is a participant in the Program.

California Communities simultaneously purchased the Proposition 1A receivables from the Town and other participants, and issued bonds to provide participants with proceeds to be remitted in two equal installments due on January 15, 2010 and May 3, 2010. All costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. As of June 30, 2010, the Town received both installments due under the Program and recorded them as property taxes in the same manner as if the State had not exercised its rights under Proposition 1A. Since sales proceeds to the Town equal the book value of State borrowings no gain or loss was incurred.

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	\$7,514,113
Fiduciary Funds	432,031
Total cash and investments	\$7,946,144

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.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

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.

Cash and investments as of June 30, 2010 consist of the following:

Local Agency Investment Fund	\$7,833,601
Cash in bank	112,143
Cash on hand	400
Total cash and investments	\$7,946,144

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, 2010, these investments matured in an average of 203 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, 2010 the balance was \$24,583.

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 are 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, 2010 was as follows:

	Balance 2009	Additions	Deletions	Balance 2010
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	7,057,683			7,057,683
Machinery and equipment	789,993	\$23,731	(\$37,772)	775,952
Computer software	324,630	8,711		333,341
Total capital assets being depreciated	8,172,306	32,442	(37,772)	8,166,976
Less accumulated depreciation for:				
Buildings and improvements	884,045	141,154		1,025,199
Machinery and equipment	489,327	49,969	(35,180)	504,116
Computer software		50,542		50,542
Total accumulated depreciation	1,373,372	241,665	(35,180)	1,579,857
Total depreciable assets	6,798,934	(209,223)	(2,592)	6,587,119
Governmental activity capital assets, net	<u>\$16,267,307</u>	<u>(\$209,223)</u>	<u>(\$2,592)</u>	<u>\$16,055,492</u>

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance <u>2009</u>	Additions	Balance <u>2010</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	5,835	\$1,945	7,780
Pumps and collections system	<u>1,652,384</u>	<u>90,884</u>	<u>1,743,268</u>
 Total accumulated depreciation	 <u>1,799,925</u>	 <u>92,829</u>	 <u>1,892,754</u>
 Business-type activity capital assets, net	 <u><u>\$1,078,005</u></u>	 <u><u>(\$92,829)</u></u>	 <u><u>\$985,176</u></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	\$4,714
Planning and building regulation	7,154
Building and grounds	141,154
Town-wide overhead	50,542
Safety services	8,873
Public works	<u>29,228</u>
 Total Governmental Activities	 <u><u>\$241,665</u></u>
 Business-Type Activities	
Sewer utility	\$521
Town center pump sewer	74,873
Cañada Corridor sewer	<u>17,435</u>
 Total Business-Type Activities	 <u><u>\$92,829</u></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, 2010 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	Measure A Special Revenue Fund	\$500,000 (a)
Library Operations Special Revenue Fund	General Fund	15,857 (b)
Measure A Special Revenue Fund	General Fund	87,500 (b)
Non-major Governmental Funds		
Non-major Governmental Funds	General Fund	87,500 (b)
Enterprise Funds		
Sewer Revolving Enterprise Fund	General Fund	5,772 (b)
Sewer Utility Enterprise Fund	General Fund	20,907 (b)
Town Center Pump Sewer Enterprise Fund	General Fund	18,491 (b)
Cañada Corridor Enterprise Fund	General Fund	2,900 (b)
		<u>\$738,927</u>

Purpose of transfer:

- (a) General Fund contribution to Roads Program
- (b) 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, 2010, the Supplemental Law Enforcement Service Special Revenue Fund owed the General Fund \$14,743.

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, 2010 was \$840,000.

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.

Portions of unreserved fund balance may be designated by the Town Council for tentative future spending plans. The fund balance designated for **contingencies and future operations** is the fund balance set aside for contingencies, for future projects, or for cash flow purposes.

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, 2010, 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	11.920%

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 \$462,797 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 17 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
2008	\$352,682	100%	---
2009	375,045	100%	---
2010	419,141	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
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%
2008	1,537,909,933	1,337,707,835	200,202,098	87.0%	333,307,600	60.1%

The Town's Miscellaneous Plan represents approximately 0.65%, 0.56%, and 0.66% of the State-wide pool for the years ended June 30, 2008, 2007, and 2006, respectively, based on covered payroll of \$2,171,188; \$1,615,667 and \$1,326,312 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 – POSTEMPLOYMENT HEALTH CARE BENEFITS

Effective October 1, 1990, all Town employees were enrolled in the PERS Health Care Plan. The Town provides postretirement healthcare benefits to eligible employees who retire directly from the Town. The Town pays healthcare coverage up to a cap for eligible retirees. This cap is calculated using the entry age normal method. This method is an actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The Town paid \$6,245 on behalf of 1 retiree during the fiscal year ended June 30, 2010.

The Town of Woodside provides access to retiree medical benefits to employees who retire from the Town at age 50 or older with at least 5 years of service. Eligible retirees may choose coverage for themselves, a dependent spouse and dependent children. Retirees may choose among any of the health plans offered by CalPERS. The Town pays the entire monthly premiums for retirees' medical coverage. Retirees must pay the cost of spousal and dependent coverage.

The Town does not provide dental or vision or other benefits subject to GASB 45 accounting requirements. The benefits are funded using a pay-as-you-go approach. Eligible retirees may enroll in any of the available CalPERS medical plans. Town provided benefits continue for the life of the retiree.

During fiscal year 2010, the Town implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). The provisions of this statement are applied prospectively and do not affect prior years financial statements. Required disclosures are presented below. The Town currently funds retiree healthcare on a pay-as-you-go basis.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

A. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a July 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 3.75% discount rate if not pre-funded and assets remain in Town’s own investment portfolio; (b) 3.25% projected annual payroll increase;

The actuarial assumptions also included the following health care cost trend:

Calendar Year Beginning	Estimated Increase
January 1, 2011	7.9%
January 1, 2012	7.6%
January 1, 2013	7.3%
January 1, 2014	7.0%
January 1, 2015	6.7%
January 1, 2016	6.4%
January 1, 2017	6.1%
January 1, 2018	5.8%
January 1, 2019 and thereafter	5.5%

The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biennially as results are compared to past expectations and new estimates are made about the future. The Town’s OPEB unfunded actuarial accrued liability is amortized over a fixed 30-year period as a level percentage of payroll beginning with the 2009/10 fiscal year.

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

B. Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such contributions are placed in an irrevocable trust or equivalent arrangement. In fiscal year 2010, the Town made contribution less than the ARC as presented below:

Annual required contribution (ARC) and Annual OPEB cost	\$156,417
Contributions made:	
Premium paid	6,245
Over (Under) contribution of ARC	(150,172)
Net OPEB Obligation at June 30, 2009	0
Net OPEB Asset (Obligation) at June 30, 2010	(\$150,172)

The Plan's annual required contributions and actual contributions for the year ended June 30, 2010 is set forth below:

Fiscal Year	Annual OPEB Cost (OC)	Actual Contribution	Percentage of OC	Net OPEB Asset (Obligation)
6/30/2010	\$156,417	\$6,245	4%	(\$150,172)

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the July 1, 2009 actuarial study is presented below:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Overfunded (Underfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll
7/1/2009	\$0	\$861,144	(\$861,144)	0%	\$2,381,978	(36.2%)

TOWN OF WOODSIDE
Notes to Basic Financial Statements

NOTE 11 - 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 \$10,000,000 from Lexington Insurance Company and \$10,000,000 from the Insurance Company of the State of PA through ABAG in fiscal year 2010, making the total limit of liability \$25,000,000. 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, 2010 the Town contributed \$61,070 for current year coverage.

The 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, 2010 the Town contributed \$89,389 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, 2010 is believed by management to be nil based on the absence of any asserted claims.

NOTE 12 - 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 City of San Carlos, 666 Elm Street, San Carlos, CA, 94070. The Town's payments to C/CAG during the year totaled \$16,063. 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 13 - 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.

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NON-MAJOR GOVERNMENTAL FUNDS

TOWN OF WOODSIDE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

	SPECIAL REVENUE FUNDS			
	Traffic Safety	Road Impact Fees	Gas Tax	Supplemental Law Enforcement Service
ASSETS				
Cash and investments	\$25,965	\$343,913	\$99,712	
Accounts and other receivables	3,021	486	14,484	\$9,849
Total Assets	\$28,986	\$344,399	\$114,196	\$9,849
LIABILITIES				
Accounts payable	\$1,093	\$996		
Due to other funds				\$14,743
Total Liabilities	1,093	996		14,743
FUND BALANCE				
Fund balance:				
Unreserved, undesignated	27,893	343,403	\$114,196	(4,894)
Total Fund Balances	27,893	343,403	114,196	(4,894)
Total Liabilities and Fund Balances	\$28,986	\$344,399	\$114,196	\$9,849

<u>SPECIAL REVENUE FUND</u>	
<u>California Law Enforcement Equipment Program</u>	<u>Total Nonmajor Governmental Funds</u>
\$10,212	\$479,802 27,840
<u>\$10,212</u>	<u>\$507,642</u>
	\$2,089 14,743
	<u>16,832</u>
<u>\$10,212</u>	<u>490,810</u>
<u>10,212</u>	<u>490,810</u>
<u>\$10,212</u>	<u>\$507,642</u>

TOWN OF WOODSIDE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS			
	Traffic Safety	Road Impact Fees	Gas Tax	Supplemental Law Enforcement Service
REVENUES				
Fees and permits		\$306,636		
Fines and forfeiture	\$30,192			
Interest	154	2,582	\$445	
Other agencies			151,152	\$101,038
Total Revenues	30,346	309,218	151,597	101,038
EXPENDITURES				
Current:				
Safety services				100,000
Public works	27,377	287,222	126,405	
Total Expenditures	27,377	287,222	126,405	100,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,969	21,996	25,192	1,038
OTHER FINANCING SOURCES (USES)				
Transfers (out)		(87,500)		
Total Other Financing Sources (Uses)		(87,500)		
NET CHANGE IN FUND BALANCES	2,969	(65,504)	25,192	1,038
BEGINNING FUND BALANCES	24,924	408,907	89,004	(5,932)
ENDING FUND BALANCES	\$27,893	\$343,403	\$114,196	(\$4,894)

<u>SPECIAL REVENUE FUND</u>	
<u>California Law Enforcement Equipment Program</u>	<u>Total Nonmajor Governmental Funds</u>
	\$306,636
	30,192
	3,181
	<u>252,190</u>
	<u>592,199</u>
	100,000
	<u>441,004</u>
	<u>541,004</u>
	<u>51,195</u>
	<u>(87,500)</u>
	<u>(87,500)</u>
	(36,305)
<u>\$10,212</u>	<u>527,115</u>
<u>\$10,212</u>	<u>\$490,810</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, 2010

	TRAFFIC SAFETY			ROAD IMPACT FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Fees and permits				\$325,000	\$306,636	(\$18,364)
Fines and forfeiture	\$30,000	\$30,192	\$192			
Interest	200	154	(46)	7,500	2,582	(4,918)
Other agencies	2,000		(2,000)			
Total Revenues	<u>32,200</u>	<u>30,346</u>	<u>(1,854)</u>	<u>332,500</u>	<u>309,218</u>	<u>(23,282)</u>
EXPENDITURES						
Current:						
Safety services				442,082	287,222	154,860
Public works	27,700	27,377	323			
Total Expenditures	<u>27,700</u>	<u>27,377</u>	<u>323</u>	<u>442,082</u>	<u>287,222</u>	<u>154,860</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,500</u>	<u>2,969</u>	<u>(1,531)</u>	<u>(109,582)</u>	<u>21,996</u>	<u>131,578</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)				(87,500)	(87,500)	
Total Other Financing Sources (Uses)				<u>(87,500)</u>	<u>(87,500)</u>	
NET CHANGE IN FUND BALANCES	<u>\$4,500</u>	<u>2,969</u>	<u>(\$1,531)</u>	<u>(\$197,082)</u>	<u>(65,504)</u>	<u>\$131,578</u>
BEGINNING FUND BALANCES		<u>24,924</u>			<u>408,907</u>	
ENDING FUND BALANCES		<u>\$27,893</u>			<u>\$343,403</u>	

GAS TAXES			SUPPLEMENTAL LAW ENFORCEMENT SERVICE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$111,700	\$445 151,152	\$445 39,452	\$100,000	\$101,038	\$1,038
111,700	151,597	39,897	100,000	101,038	1,038
129,936	126,405	3,531	100,000	100,000	
129,936	126,405	3,531	\$100,000	100,000	
(18,236)	25,192	43,428		1,038	1,038
<u>(\$18,236)</u>	25,192	<u>\$43,428</u>		1,038	<u>\$1,038</u>
	89,004			(5,932)	
	<u>\$114,196</u>			<u>(\$4,894)</u>	

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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, 2010

441/450

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<u>1999 Woodside Road/Whiskey Hill Road Parking District</u>				
<u>Assets</u>				
Cash and investments available for operations	\$115,967	\$145,762	\$134,309	\$127,420
Interest receivable	395	126	395	126
	<u>\$116,362</u>	<u>\$145,888</u>	<u>\$134,704</u>	<u>\$127,546</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$116,362</u>	<u>\$145,888</u>	<u>\$134,704</u>	<u>\$127,546</u>

Town Center Pump Station District

<u>Assets</u>				
Cash and investments available for operations	\$29,779	\$202	\$29,981	
Interest receivable	91		91	
	<u>\$29,870</u>	<u>\$202</u>	<u>\$30,072</u>	
<u>Liabilities</u>				
Due to bondholders	<u>\$29,870</u>	<u>\$202</u>	<u>\$30,072</u>	

702
703

Trails Gifts & Donations Fund

<u>Assets</u>				
Cash and investments available for operations	\$28,169	\$12,612	(\$55)	\$40,836
Interest receivable	101	55	101	55
	<u>\$28,270</u>	<u>\$12,667</u>	<u>\$46</u>	<u>\$40,891</u>
<u>Liabilities</u>				
Accrued liabilities	<u>\$28,270</u>	<u>\$12,667</u>	<u>\$46</u>	<u>\$40,891</u>

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Mathisen House

<u>Assets</u>				
Cash and investments available for operations	\$7,316	\$54	(\$10)	\$7,380
Interest receivable	26	10	26	10
	<u>\$7,342</u>	<u>\$64</u>	<u>\$16</u>	<u>\$7,390</u>
<u>Liabilities</u>				
Accrued liabilities	<u>\$7,342</u>	<u>\$64</u>	<u>\$16</u>	<u>\$7,390</u>

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<u>Marva Oaks 712</u>				
<u>Assets</u>				
Cash and investments available for operations	\$20,357	\$164	(\$27)	\$20,548
Interest receivable	73	27	73	27
	<u>\$20,430</u>	<u>\$191</u>	<u>\$46</u>	<u>\$20,575</u>
<u>Liabilities</u>				
Accrued liabilities	<u>\$20,430</u>	<u>\$191</u>	<u>\$46</u>	<u>\$20,575</u>
<u>Town Hall Window Fund 716</u>				
<u>Assets</u>				
Cash and investments available for operations	\$5,876	\$43	(\$8)	\$5,927
Interest receivable	21	8	21	8
	<u>\$5,897</u>	<u>\$51</u>	<u>\$13</u>	<u>\$5,935</u>
<u>Liabilities</u>				
Accrued liabilities	<u>\$5,897</u>	<u>\$51</u>	<u>\$13</u>	<u>\$5,935</u>
<u>Barkley Reserve Deposit Fund 730</u>				
<u>Assets</u>				
Cash and investments available for operations	\$227,938	\$1,475	(\$507)	\$229,920
Interest receivable	1,018	507	1,018	507
	<u>\$228,956</u>	<u>\$1,982</u>	<u>\$511</u>	<u>\$230,427</u>
<u>Liabilities</u>				
Accrued liabilities	<u>\$228,956</u>	<u>\$1,982</u>	<u>\$511</u>	<u>\$230,427</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash and investments available for operations	\$435,402	\$160,312	\$163,683	\$432,031
Interest receivable	1,725	733	1,725	733
	<u>\$437,127</u>	<u>\$161,045</u>	<u>\$165,408</u>	<u>\$432,764</u>
<u>Liabilities</u>				
Accrued liabilities	\$290,895	\$14,955	\$632	\$305,218
Due to bondholders	146,232	146,090	164,776	127,546
	<u>\$437,127</u>	<u>\$161,045</u>	<u>\$165,408</u>	<u>\$432,764</u>

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