

TOWN OF WOODSIDE, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

Prepared by:

Kevin Bryant

Town Manager

Cindy Safe

Senior Management Analyst

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Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

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Basic Financial Statements
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The Town of
Woodside

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

March 9, 2015

***To the Honorable Mayor and Members of the Town Council and
Citizens of the Town of Woodside:***

We are pleased to submit the Town of Woodside Basic Financial Statements for the fiscal year ended June 30, 2014. It is the policy of the Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issue a complete set of financial statements to be submitted to them. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the Town. We believe the data presented in this report is accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the Town's financial activities have been included. Management of the Town has established an internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the Town, this report is intended to provide relevant financial information to the citizens of the Town of Woodside, Town staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The Town's financial statements have been audited by JJACPA, Inc., a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2014, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the

650-851-6790
Fax: 650-851-2195
townhall@woodsidetown.org

overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the Town's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Woodside

The Town of Woodside operates under a Council-Manager form of government and provides planning and zoning, public works, building regulation and recreation services. This report includes all funds of the Town of Woodside, for which the Town is financially accountable.

The Town Council establishes annual budgets for the General Fund, Proprietary Funds, and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the Town Manager. The Town Manager prepares two year budgets, with an annual review, with an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the Town Council and is adopted by resolution by the Town Council on or before June 30 in accordance with the municipal code.

The Town of Woodside was incorporated on November 16, 1956, as a general law Town. The Woodside Town Council consists of seven members, who are each elected to represent a district to four-year overlapping terms. Council members must be residents of the Town. The positions of Mayor and Mayor Pro Tempore are chosen by the Town Council. The Mayor conducts the Council meetings and represents the Town on ceremonial occasions.

The Town Council serves as the policy board for the municipality. As an elected Board of Directors, the Town Council provides policy direction, establishes goals, and sets priorities for the Town government. In addition to serving as the policy makers for the community, the Town Council also is responsible for numerous land use decisions within its borders, including the General Plan. The Town Council appoints the Town Manager, Town Attorney, and all members of advisory boards, committees and commissions.

Current Economic Conditions and Outlook

At the direction of Council, staff continues to conduct a systematic review of operations, resulting in some cases in the transition from an in-house operational model to contract service; in other instances a renegotiation of existing service contracts; and in other instances, retention of the contract operational model with a different service provider. These

operational analyses and reforms are intended to promote long-term savings to the Town and ensure long-term stability.

The Town has increased the reserve target to 30% of estimated operating revenues to help maintain a balanced budget and healthy reserves to shield against economic cycles.

Financial Information

During the past fiscal year, there were no changes to the Town's financial policies or items in which policies impacted the financial information or presentation. Information concerning significant accounting policies affecting the finances of the Town is summarized in the Notes to the Financial Statements.

Awards and Acknowledgements

The preparation of this Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department, particularly Senior Management Analyst Cindy Safe and the auditing firm of JJACPA, Inc. I would like to express my appreciation to Joseph Arch, CPA, Brett Jones, CPA, and Tika Koshiyama-Diaz of JJACPA, Inc. and to the members of the Administrative Department who assisted and contributed to its preparation.

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

Respectfully Submitted,

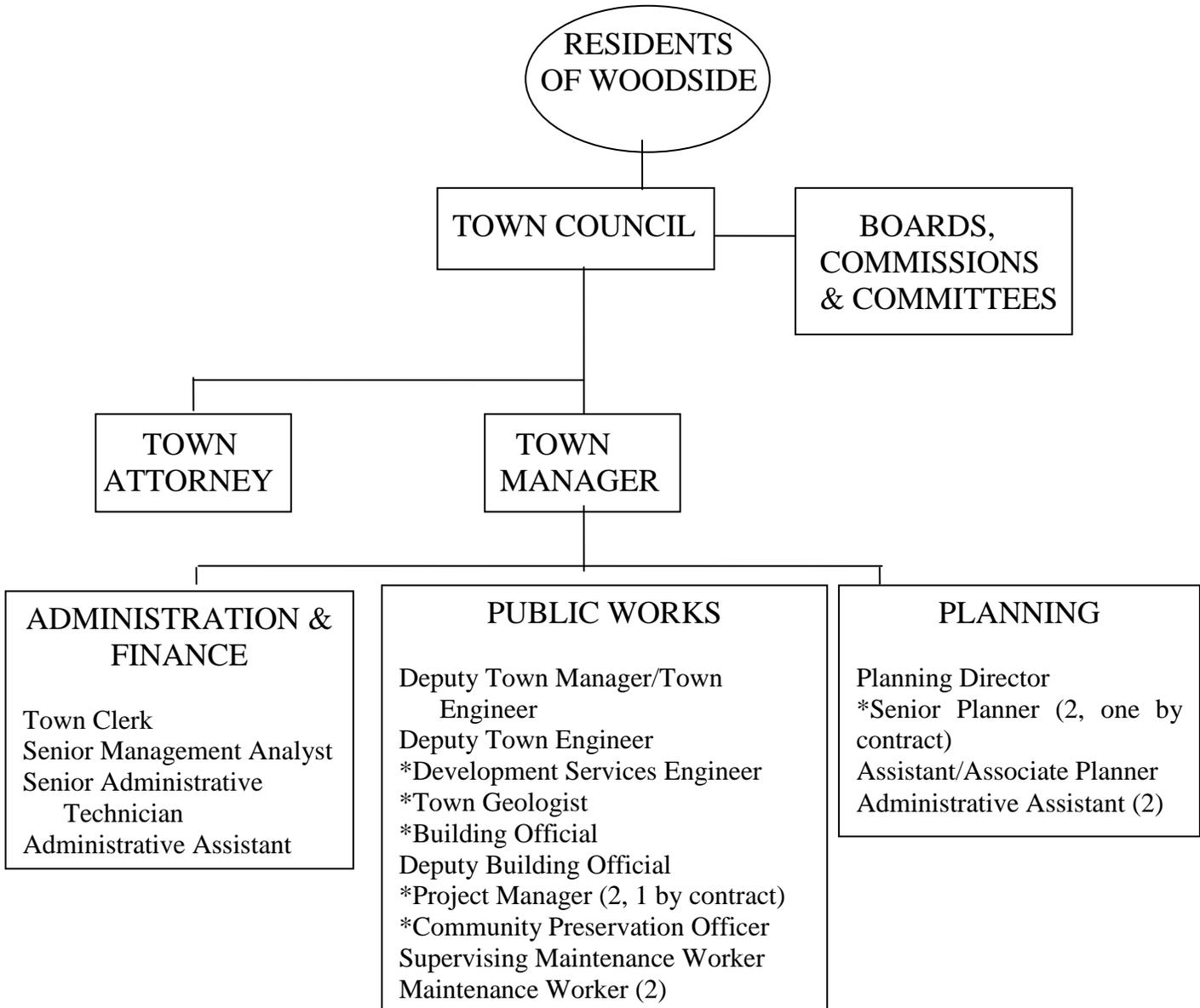


Kevin Bryant
Town Manager

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Organization Chart

TOWN OF WOODSIDE
ORGANIZATION CHART



* Position filled by contract services

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

List of Officials

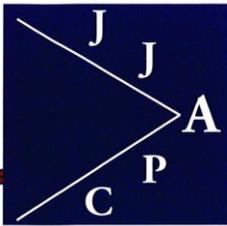
TOWN COUNCIL

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

TOWN OFFICIALS

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

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the Town of Woodside, California (Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the Town of Woodside, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis information on pages 3-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information, which includes the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2015 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

March 9, 2015

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the Town of Woodside (Town) for the fiscal year ended June 30, 2014. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2014, total assets of the Town exceeded its liabilities by \$23,996,216 (net position). The portion of net position that may be used to meet the government's ongoing obligations (unrestricted net position) is \$4,834,622. The portion of net position that is restricted and may only be used for specific purposes is \$3,253,590. The remaining \$15,908,004 is net investment in capital assets (page 6).
- ◆ As of June 30, 2014, the Town's Governmental Activities reported combined net position of \$22,903,858, of that, \$3,253,590 is restricted special revenue funds (page 6).
- ◆ As of June 30, 2014, the Town's governmental funds reported combined ending fund balances of \$7,999,981. Of that amount \$3,253,590 is restricted because it represents resources that are required to be spent for specific purposes as provided by an external source. The remaining fund balance of \$4,746,391 is unassigned and represents the General Fund and a deficit fund balance in the Supplemental Law Enforcement Service Non-Major Special Revenue Fund (pages 24 and 25).
- ◆ Capital assets, net of depreciation, decreased to \$15,908,004 (page 6) from \$16,232,525 in fiscal year (FY) 2013.

OVERVIEW OF FINANCIAL STATEMENTS

This Annual Financial Report is in two major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules.

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Town's financial activities and financial position.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the Town's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the Town as a whole, including all its capital assets and long-term liabilities on the accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the Town's revenues and all its expenses, also using accrual basis, with the emphasis on measuring net revenues or expenses of each the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the Town's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the Town as a whole.

- ◆ **Governmental activities** – All of the Town's basic services are considered to be governmental activities, including general government, community development, public safety, animal control, public works, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general Town revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the Town's enterprise activities are reported here. The Town's Business-type activity funds are the Sewer Service Funds. Unlike governmental services, these services are completely supported by charges paid by users.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

For the fiscal year ended June 30, 2014, the Town's major funds are as follows:

GOVERNMENTAL FUNDS:

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

PROPRIETARY FUND:

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

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

Fund Financial Statements, Continued

FIDUCIARY FUNDS:

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

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

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

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

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

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

Fund Financial Statements, Continued

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 51-73 of this report. Required Supplementary Information follows the notes on page 74.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 78-94 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, assets exceeded liabilities by \$23,996,216 at the close of the most recent fiscal year. Capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 66% of the Town's net position. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position

	2014			2013			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Current and other assets	\$ 9,429,355	\$ 479,934	\$ 9,909,289	\$ 7,205,717	\$ 508,901	\$ 7,714,618	\$ 2,194,671	28.4%
Noncurrent assets	15,288,304	619,700	15,908,004	15,521,942	710,583	16,232,525	(324,521)	-2.0%
Total assets	24,717,659	1,099,634	25,817,293	22,727,659	1,219,484	23,947,143	1,870,150	7.8%
Current and other liabilities	1,429,374	7,276	1,436,650	1,581,396	7,364	1,588,760	(152,110)	-9.6%
Long-term liabilities	384,427	-	384,427	375,592	-	375,592	8,835	2.4%
Total liabilities	1,813,801	7,276	1,821,077	1,956,988	7,364	1,964,352	(143,275)	-7.3%
Net position:								
Net investment in capital assets	15,288,304	619,700	15,908,004	15,521,942	710,583	16,232,525	(324,521)	-2.0%
Restricted	3,253,590	-	3,253,590	2,968,617	-	2,968,617	284,973	9.6%
Unrestricted	4,361,964	472,658	4,834,622	2,280,112	501,537	2,781,649	2,052,973	73.8%
Total net position	\$ 22,903,858	\$ 1,092,358	\$ 23,996,216	\$ 20,770,671	\$ 1,212,120	\$ 21,982,791	\$ 2,013,425	9.2%

The above table is a summary of the Town's net position for this fiscal year compared to last fiscal year. The table shows the total capital assets for this year (\$15,908,004), total restricted funds (\$3,253,590), and the remaining amount which is in unrestricted funds of \$4,834,622, which will be used to meet the City's ongoing obligations to citizens and creditors funded through current revenues.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The Town's total revenues for governmental and business-type activities were \$9,713,699 for the fiscal year ended June 30, 2014. Approximately 91% of the Town's revenues are generated from five major sources, Charges for Services, Property Taxes and Assessments, Operating Grants and Contributions, Sales and use tax, and Franchises.

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

1. **Charges for Services** – Charges for services has gone up 33% from last year. Development related fees and permits have contributed the most to this increase. In March 28, 2011 there was an increase to all development fees and an archive fee was implemented. An additional 25% increase in planning fees went into effect May 25, 2013. FY 2014 has been the first full year of this additional increase in the fee schedule. In addition, there continues to be increased building and remodeling in Woodside due to an increase in the economy and sales of homes in Town.
2. **Property Taxes and Assessments** – The property taxes and assessments category for FY 2014 includes not only Property Tax – secured, unsecured, SB 813, prior years, but also the additional categories of Home Owner Property Tax Relief (HOPTR), Property Tax in-lieu, and Triple Flip. There has been an increase of 74% or \$2,061,343 in this category from last year. The increase in revenue is largely due to a one-time \$1,009,032.66 Tax Equity Allocation (TEA) payment from San Mateo County that was received in September 2013 and included payments of \$796,349.82 from fiscal year 2013 and \$212,682.84 from previous years.
3. **Grants and Contributions – Operating** – The Grants and Contributions (Operating) category for FY 2014 increased 14% from last fiscal year and included the sub-categories of the State Citizens' Option for Public Safety (COPS) program (grant remained the same as last year), Gas Tax (increase of \$38,443 or 27%), and Measure A Sales tax, (increase of \$12,766 or 4%).
4. **Sales and use tax** – Sales tax experienced an 8% increase due to a small increase in sales tax revenues from last fiscal year.
5. **Franchises** - Franchise revenues from the Town of Woodside are derived from franchise agreements with gas, electric, water, garbage, cable tv, and telecommunications. Revenues from this source have increased \$11,061 or 3% from last year.

Expenses

Governmental and business-type activities expenses of the Town totaled \$7,700,274 for the year. Governmental activities expenses totaled \$7,345,413 or 95% of total expenses. Safety Services costs represented 22.37% (\$1,643,530) of total governmental activities expenses. Public works costs, including Road Rehabilitation project, represented the largest single expense for governmental activities, amounting to \$2,501,636 or 34% of total governmental expenses.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2014, and 2013, follows (pages 20 and 21):

	Changes in Net Position					
	2014			2013		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,221,368	\$ 289,957	\$ 2,511,325	\$ 1,671,734	\$ 227,489	\$ 1,899,223
Grants and contributions:						
Operating	605,876	-	605,876	533,447	-	533,447
Capital	286,055	-	286,055	164,363	-	164,363
General revenues:						
Property taxes and assessments						
and assessments	4,858,714	-	4,858,714	2,797,371	-	2,797,371
Sales and use tax	427,684	-	427,684	397,191	-	397,191
Property transfer tax	211,700	-	211,700	235,472	-	235,472
Franchises	422,370	-	422,370	411,309	-	411,309
Business licenses	132,040	-	132,040	119,530	-	119,530
Fines and forfeitures	54,118	-	54,118	78,821	-	78,821
Use of money and property	17,303	1,842	19,145	11,384	2,143	13,527
Other general revenues	184,672	-	184,672	180,501	-	180,501
Total revenues	9,421,900	291,799	9,713,699	6,601,123	229,632	6,830,755
Expenses:						
Governmental activities:						
Town Council	32,006	-	32,006	25,672	-	25,672
Administration and Finance	1,305,384	-	1,305,384	1,108,627	-	1,108,627
Planning Department	776,400	-	776,400	663,449	-	663,449
Buildings and Grounds	129,584	-	129,584	115,165	-	115,165
Town-wide Overhead	433,098	-	433,098	346,401	-	346,401
Safety Services	1,643,530	-	1,643,530	1,584,898	-	1,584,898
Trails and Stables	48,114	-	48,114	75,374	-	75,374
Barkley Fields	239,803	-	239,803	251,007	-	251,007
Library Services	102,519	-	102,519	122,903	-	122,903
Public Works	2,501,636	-	2,501,636	2,189,556	-	2,189,556
Recreation and Open Space	133,339	-	133,339	99,886	-	99,886
Business-type activities:						
Sewer Capital Improvement	-	27,484	27,484	-	26,629	26,629
Sewer Utility	-	170,971	170,971	-	162,815	162,815
Town Center Pump Sewer	-	126,644	126,644	-	119,873	119,873
Cañada Corridor Sewer	-	29,762	29,762	-	23,800	23,800
Total expenses	7,345,413	354,861	7,700,274	6,582,938	333,117	6,916,055
Excess (Deficiency) of revenues over expenditures before transfers						
	2,076,487	(63,062)	2,013,425	18,185	(103,485)	(85,300)
Transfers	56,700	(56,700)	-	54,526	(54,526)	-
Change in net position	2,133,187	(119,762)	2,013,425	72,711	(158,011)	(85,300)
Net position:						
Beginning of year	20,770,671	1,212,120	21,982,791	20,697,960	1,370,131	22,068,091
End of year	\$ 22,903,858	\$ 1,092,358	\$ 23,996,216	\$ 20,770,671	\$ 1,212,120	\$ 21,982,791

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities

The cost of all governmental activities this year was \$7,345,413. However, as shown in the Statement of Activities on page 20, the amount that taxpayers ultimately financed for governmental activities was \$4,232,114. Those who directly benefited from town programs paid \$2,221,368. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$605,876 for operations and \$286,055 for capital. The Town paid the remaining "public benefit" portion of government activities with \$4,858,714 in property taxes and \$1,432,584 in other general revenues.

Total resources available during the year to finance governmental operations were \$9,421,900. This consisted of \$3,113,299 in program revenues and \$6,308,601 in general revenues. Total governmental activities operating expenses during the year were \$7,345,413 thus net position at July 1, 2013, of \$20,770,671 increased by \$2,133,187 to \$22,903,858 primarily as a result of an increase in revenues, specifically increases in charges for services of \$549,634 and an increase in property taxes and assessments of \$2,061,343. The net position of program revenues and expenses remained about the same with only a 0.4% (\$18,720) increase of expense.

The following table shows the cost of each of the Town's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the Town's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2014, and 2013, are as follows:

	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Position	
	2014	2013	2014	2013	2014	2013
Governmental activities:						
Town Council	\$ -	\$ -	\$ 32,006	\$ 25,672	\$ (32,006)	\$ (25,672)
Administration and Finance	69,030	63,669	1,305,384	1,108,627	(1,236,354)	(1,044,958)
Planning Department	621,185	532,952	776,400	663,449	(155,215)	(130,497)
Buildings and Grounds	-	-	129,584	115,165	(129,584)	(115,165)
Town-wide Overhead	-	-	433,098	346,401	(433,098)	(346,401)
Safety Services	123,362	74,640	1,643,530	1,584,898	(1,520,168)	(1,510,258)
Trails and Stables	31,902	29,893	48,114	75,374	(16,212)	(45,481)
Barkley Fields	9,199	9,625	239,803	251,007	(230,604)	(241,382)
Library Services	-	-	102,519	122,903	(102,519)	(122,903)
Public Works	2,100,952	1,546,928	2,501,636	2,189,556	(400,684)	(642,628)
Recreation and Open Space	157,669	111,837	133,339	99,886	24,330	11,951
Total governmental activities	\$ 3,113,299	\$ 2,369,544	\$ 7,345,413	\$ 6,582,938	\$ (4,232,114)	\$ (4,213,394)

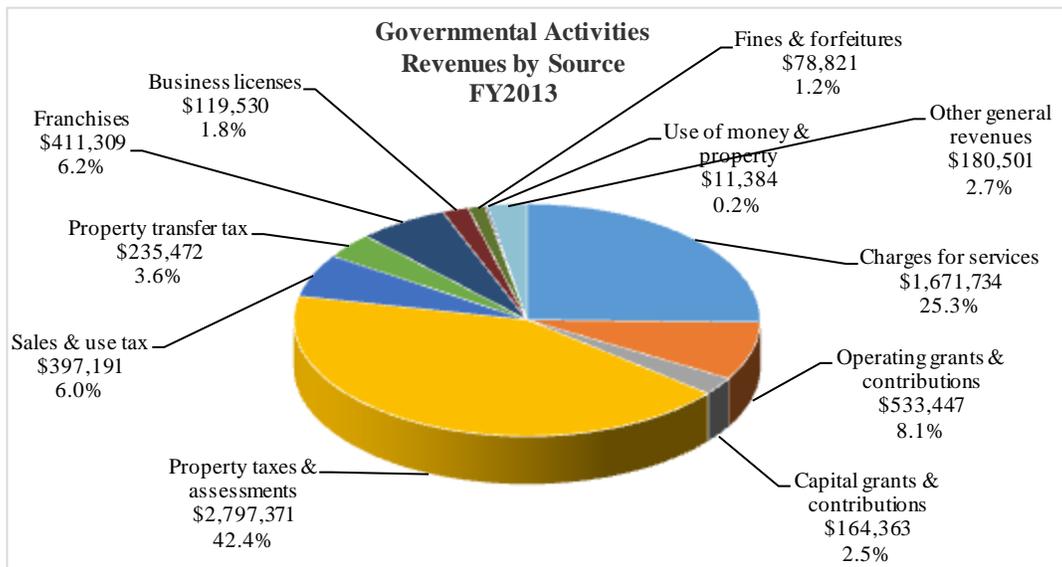
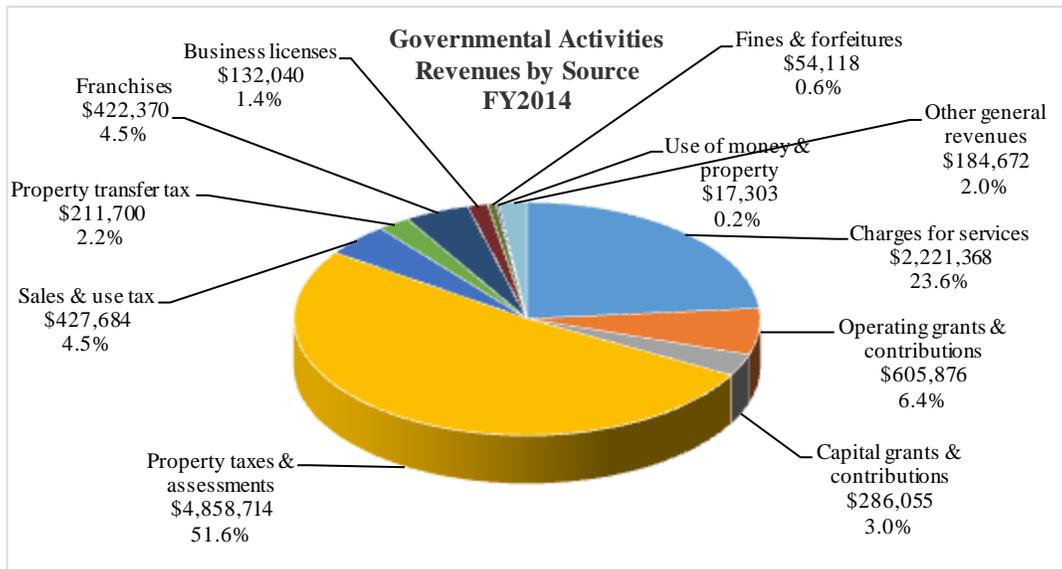
Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2014, and 2013, are as follows:



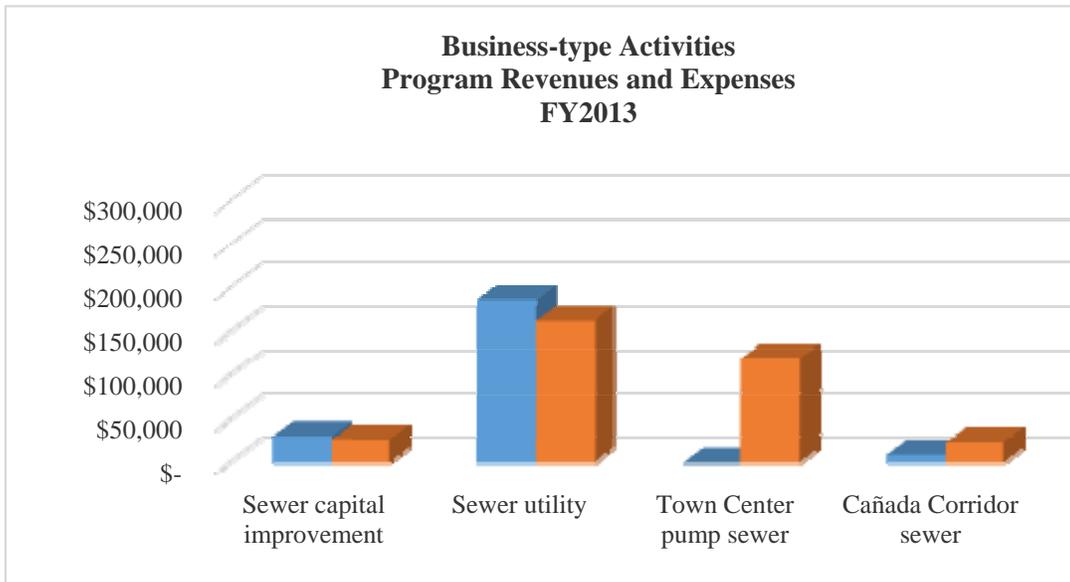
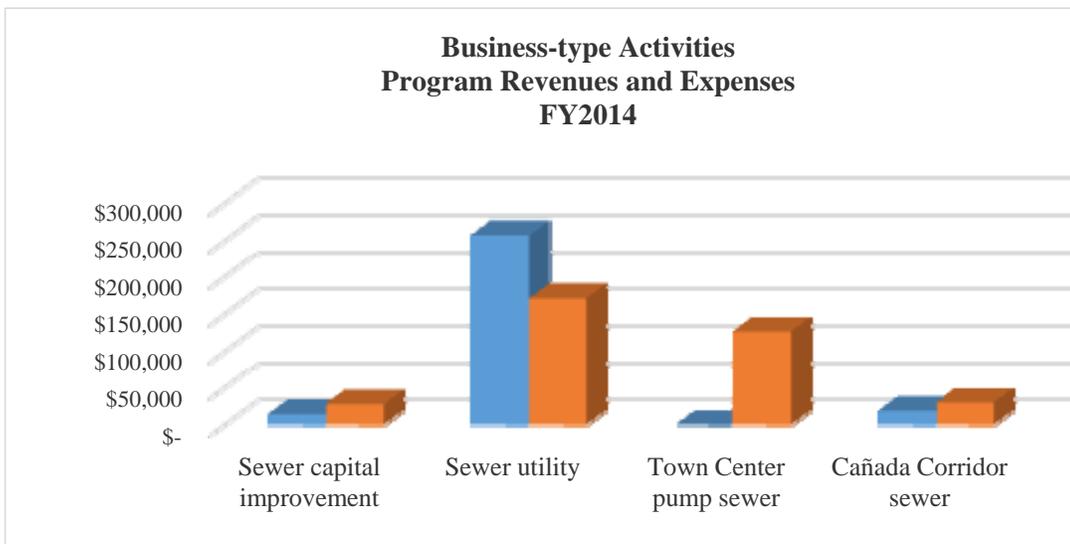
Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities

Business-type activities incurred \$354,861 in expenses during the fiscal year. The Town has four business-type funds, which are the Sewer Capital Improvement, Sewer Utility, Town Center Pump Sewer, and Cañada Corridor Sewer Funds. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2014, and 2013, are as follows:



Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

Business-type activities total revenue for FY 2014 is \$291,799. Expenses for this year exceeded revenue by \$63,062. These revenues are received from two sources, Charges for Services \$289,957 and Investment Earnings \$1,842. 99% of the funding received for Sewer business services is derived through charges for this service; the balance is investment earnings on cash. The earnings for the Sewer funds in FY 2013 were \$227,489 and expenses exceeded revenue by \$103,485.

As reported in the Statement of Activities, the net position of the Town’s Business-type Activities, as of June 30 2014, decreased \$119,762. The following table is a re-statement of the Statement of Business-type Activities outlining the components of this decrease.

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

	6/30/2014	6/30/2013	Change	% Change
Revenues:				
Charges for Services	\$ 289,957	\$ 227,489	\$ 62,468	27.5%
Use of money and property (interest)	1,842	2,143	(301)	-14.0%
Total	\$ 291,799	\$ 229,632	\$ 62,167	27.1%
Expenses:				
Sewer Capital Improvement	\$ 27,484	\$ 26,629	\$ 855	3.2%
Sewer Utility	170,971	162,815	8,156	-
Town Center Pump Sewer	126,644	119,873	6,771	5.6%
Cañada Corridor Sewer	29,762	23,800	5,962	25.1%
Total	\$ 354,861	\$ 333,117	\$ 21,744	6.5%
Excess (Deficiency) of revenues over expenditures before transfers	\$ (63,062)	\$ (103,485)	\$ 40,423	-39.1%
Transfers	(56,700)	(54,526)	(2,174)	4.0%
Change in Net Position	\$ (119,762)	\$ (158,011)	\$ 38,249	-24.2%

Expenses were a little higher in FY 2014 due to a continuation of increasing contract Sewer transmission and treatment expenses for Cañada Corridor Sewer and the Town Center Pump Sewer. Charges for sewer services were up 27.5% or \$62,468, due to one new sewer connection fee in FY 2014 of \$14,250 and an overall /increase in residential and commercial sewer fees which began in fiscal year 2014 and will gradually increase over the next five years. This gradual increase in revenues is projected to equal sewer expenses in 5 years. Even though expenses were about the same as last year and there was an increase in revenues, there was still a net loss of \$119,762. The loss was reduced from FY 2013 by 24.2% or \$38,249.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

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

Governmental funds. The Town's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2014, the Town's governmental funds reported combined fund balances of \$7,999,981. This is an increase of \$2,375,660 or 30% from last year. The increase results primarily from increased revenues in the general, non-major funds, and Measure A (43% increase in FY 2014) and expenditures that were about the same (10% increase in FY 2014).

- ◆ The increase of **General Fund** Cash and Investments of \$1,805,444 is mostly due to a payment of prior year property taxes of \$1,009,033 Tax Equity Allocation (TEA) payment from San Mateo County. In addition, there were increases in the fee and permits revenue. The various planning, building, and administrative fees and permits increased \$231,283 or 21.36% from last fiscal year. This increase is due to increased fees as well as the number of permits processed.
- ◆ There is a decrease in the **Library Operations Fund** balance of \$123,095. The Library Fund supports the Town's share of the operation and maintenance of the library facility. The Town is a party to a Joint Powers Agreement (JPA) between cities within San Mateo County. Woodside is a 'donor City' which means the County deposits property tax revenue received in excess of the costs to the JPA to operate the library into a trust account. In FY 2012 the Town received the normal distribution of the excess property tax revenue from the County, but in FY 2013 the San Mateo Library JPA began holding the excess revenue and discontinued payments to the Town of Woodside which resulted in a decrease in the revenue and the cash balance of the Library Fund from last year. Woodside's separate library account balance with the JPA as of June 30, 2014 is \$940,360.
- ◆ The **Measure A Fund** accounts for the Town's share of a county-wide half-cent sales tax that is dedicated to transportation related projects. There was an increase in Measure A fund balance this fiscal year of \$97,612 or 26%. The Town's road rehabilitation Program for FY spending 2014 was less than FY 2013, resulting in less expenditures.

Proprietary funds. The Town's proprietary funds unrestricted net position decreased by \$28,879 in the fiscal year ended June 30, 2014. This decrease is due to increased transmission and treatment contractor expenses associated with Town sewer operations described on the previous page.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

The capital assets of the Town are those assets which are used in the performance of the Town's functions. At June 30, 2014, net capital assets of the governmental activities totaled \$15,288,304. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the Town's Capital Assets net of depreciation:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -
Buildings and improvements	5,467,869	5,609,023	-	-
Machinery and equipment	352,062	444,546	-	-
Pumps and collection systems	-	-	619,700	710,583
Total	\$ 15,288,304	\$ 15,521,942	\$ 619,700	\$ 710,583

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

Long Term Liabilities

Long term liabilities increased by \$8,835. Compensated absences due at year end went up a little by \$18,716 and there was a decrease in the OPEB obligation of \$9,881. Additional information can be found in Note 11 on page 70 of this report.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

NEXT YEAR'S BUDGETED APPROPRIATIONS

The adopted budget for all Town funds (excluding Sewer and Parking District) for the new fiscal year of 2014-2015 is \$11,018,778 and is summarized as follows:

	FY2014-15 (Budget)	FY13-14 (Actuals)	Amount Change	Percentage Change
General fund:				
Town Council	\$ 30,944	\$ 32,006	\$ (1,062)	(3.3)%
Administration and Finance	1,127,196	1,261,180	(133,984)	(10.6)%
Planning Department	1,051,742	773,482	278,260	36.0%
Buildings and Grounds	187,967	117,084	70,883	60.5%
Town-wide Overhead	515,000	340,347	174,653	51.3%
Safety Services	1,594,382	1,544,883	49,499	3.2%
Trails and Stables	102,124	48,114	54,010	112.3%
Barkley Fields	319,360	154,654	164,706	106.5%
Public Works	2,144,546	1,203,824	940,722	78.1%
Recreation and Open Space	145,520	133,339	12,181	9.1%
Total general fund:	7,218,781	5,608,913	1,609,868	28.7%
Special revenue funds:				
Library Operations	2,412,816	1,635,409	777,407	47.5%
Measure A (13-14 is budgeted amount)	808,354	869,341	(60,987)	(7.0)%
Traffic Safety	34,500	33,131	1,369	4.1%
Road Impact Fees	269,860	173,639	96,221	55.4%
Gas Tax	174,467	141,842	32,625	23.0%
Supplemental Law Enforcement	100,000	100,000	-	0.0%
HSIP/TA Grant	395,000	81,363	313,637	N/A
Total special revenue funds:	4,194,997	3,034,725	1,160,272	38.2%
Total Budget:	\$ 11,413,778	\$ 8,643,638	\$ 2,770,140	

1. General Fund – Increases in the General Fund budget include an increase in Planning Department support staff and contracts, the purchase of new accounting software, additional maintenance and repair of Town Hall/Independence Hall, and the geologic map update.
2. Library Operations – Library 2013-2014 budget was to be used for capital improvement (a remodel of the library) that carried over to 2014-2015 budget.
3. Measure A– The actual from 2013-14 and next year's budget are about the same for the road rehabilitation project.
4. Traffic Safety – The actual from 2013-14 and next year's budget are about the same.
5. Road Impact Fees – The road impact projects increased because the revenue source from building and planning permits increased.
6. Gas Tax – The gas tax projects increased because the revenue source from gas taxes increased.
7. Supplemental Law Enforcement - Budget from year to year remained the same.
8. Highway Safety Improvement Project – New fund for Safe Routes to School projects.

Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

Management's Discussion and Analysis, Continued

Requests for Information

This Basic Financial Statements is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Town's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the Town of Woodside Finance Department, P.O. Box 620005, Woodside, CA 94062, or visit the Town's web page at www.woodsidesidtown.org.

BASIC FINANCIAL STATEMENTS

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Town of Woodside, California
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 9,121,997	\$ 474,442	\$ 9,596,439
Receivables:			
Accounts receivable	79,756	130	79,886
Interest receivable	7,725	526	8,251
Intergovernmental receivable	54,537	-	54,537
Taxes receivable	132,993	-	132,993
Loans receivable	-	4,836	4,836
Other receivables	32,347	-	32,347
Total current assets	<u>9,429,355</u>	<u>479,934</u>	<u>9,909,289</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	9,468,373	-	9,468,373
Depreciable	5,819,931	619,700	6,439,631
Total noncurrent assets	<u>15,288,304</u>	<u>619,700</u>	<u>15,908,004</u>
Total assets	<u>\$ 24,717,659</u>	<u>\$ 1,099,634</u>	<u>\$ 25,817,293</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 358,975	\$ 2,440	\$ 361,415
Deposits payable	1,070,399	-	1,070,399
Unearned revenue	-	4,836	4,836
Total current liabilities	<u>1,429,374</u>	<u>7,276</u>	<u>1,436,650</u>
Noncurrent liabilities:			
Long-term liabilities:			
Compensated absences	240,435	-	240,435
Net OPEB obligation	143,992	-	143,992
Total noncurrent liabilities	<u>384,427</u>	<u>-</u>	<u>384,427</u>
Total liabilities	<u>1,813,801</u>	<u>7,276</u>	<u>1,821,077</u>
NET POSITION			
Net investment in capital assets	15,288,304	619,700	15,908,004
Restricted	3,253,590	-	3,253,590
Unrestricted	4,361,964	472,658	4,834,622
Total net position	<u>22,903,858</u>	<u>1,092,358</u>	<u>23,996,216</u>
Total liabilities and net position	<u>\$ 24,717,659</u>	<u>\$ 1,099,634</u>	<u>\$ 25,817,293</u>

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

Town of Woodside, California

Statement of Activities

For the year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Town Council	\$ 32,006	\$ -	\$ -	\$ -
Administration and Finance	1,305,384	69,030	-	-
Planning Department	776,400	621,185	-	-
Buildings and Grounds	129,584	-	-	-
Town-wide Overhead	433,098	-	-	-
Safety Services	1,643,530	2,356	121,006	-
Trails and Stables	48,114	31,902	-	-
Barkley Fields	239,803	9,199	-	-
Library Services	102,519	-	-	-
Public Works	2,501,636	1,330,027	484,870	286,055
Recreation and Open Space	133,339	157,669	-	-
Total governmental activities	7,345,413	2,221,368	605,876	286,055
Business-type activities:				
Sewer Capital Improvement	27,484	14,250	-	-
Sewer Utility	170,971	257,065	-	-
Town Center Pump Sewer	126,644	-	-	-
Cañada Corridor Sewer	29,762	18,642	-	-
Total business-type activities	354,861	289,957	-	-
Total primary government	\$ 7,700,274	\$ 2,511,325	\$ 605,876	\$ 286,055

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales and use tax

Property transfer tax

Franchises

Business licenses

Fines and forfeitures

Use of money and property

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position:

Beginning of year

Net position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (32,006)	\$ -	\$ (32,006)
(1,236,354)	-	(1,236,354)
(155,215)	-	(155,215)
(129,584)	-	(129,584)
(433,098)	-	(433,098)
(1,520,168)	-	(1,520,168)
(16,212)	-	(16,212)
(230,604)	-	(230,604)
(102,519)	-	(102,519)
(400,684)	-	(400,684)
24,330	-	24,330
(4,232,114)	-	(4,232,114)
-	(13,234)	(13,234)
-	86,094	86,094
-	(126,644)	(126,644)
-	(11,120)	(11,120)
-	(64,904)	(64,904)
\$ (4,232,114)	\$ (64,904)	\$ (4,297,018)
4,858,714	-	4,858,714
427,684	-	427,684
211,700	-	211,700
422,370	-	422,370
132,040	-	132,040
54,118	-	54,118
17,303	1,842	19,145
184,672	-	184,672
6,308,601	1,842	6,310,443
56,700	(56,700)	-
6,365,301	(54,858)	6,310,443
2,133,187	(119,762)	2,013,425
20,770,671	1,212,120	21,982,791
\$ 22,903,858	\$ 1,092,358	\$ 23,996,216

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

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

Fund	Description
Governmental Funds:	
General Fund	Primary operating fund of the Town; accounts for all activities except those legally or administratively required to be accounted for in other funds.
Library Operations	Accounts for revenues and expenditures derived from the Town's membership in the San Mateo County Library System Joint Powers Authority.
Measure A (1991)	Accounts for the Town's share of a one-half cent sales tax revenue restricted for transportation purposes. Contributions from the General Fund are annually transferred to this fund to supplement the funds received from the tax. Excess General Fund contributions are classified in fund balance as committed.

Town of Woodside, California
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
ASSETS			
Cash and investments	\$ 5,878,319	\$ 2,199,259	\$ 480,254
Receivables:			
Accounts	79,756	-	-
Interest	4,965	2,418	-
Intergovernmental	-	-	27,804
Taxes receivable	132,993	-	-
Other receivable	-	-	-
Due from other funds	37,950	-	-
Total assets	\$ 6,133,983	\$ 2,201,677	\$ 508,058
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 243,668	\$ 2,775	\$ 30,986
Due to other funds	-	-	-
Deposits payable	1,070,399	-	-
Total liabilities	1,314,067	2,775	30,986
Fund balances:			
Restricted reported in:			
Special revenue funds	-	2,198,902	477,072
Unassigned (deficit), reported in:			
General Fund	4,819,916	-	-
Special revenue funds	-	-	-
Total fund balances	4,819,916	2,198,902	477,072
Total liabilities and fund balances	\$ 6,133,983	\$ 2,201,677	\$ 508,058

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

Nonmajor Governmental Funds		Totals
\$ 564,165	\$ 9,121,997	
-	79,756	
342	7,725	
26,733	54,537	
-	132,993	
32,347	32,347	
-	37,950	
<u>\$ 623,587</u>	<u>\$ 9,467,305</u>	

\$ 81,546	\$ 358,975
37,950	37,950
-	1,070,399
<u>119,496</u>	<u>1,467,324</u>

577,616	3,253,590
-	4,819,916
<u>(73,525)</u>	<u>(73,525)</u>
504,091	7,999,981
<u>\$ 623,587</u>	<u>\$ 9,467,305</u>

Town of Woodside, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2014

Total fund balances - total governmental funds \$ 7,999,981

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 15,288,304

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences	\$ (240,435)	
Net OPEB obligation	(143,992)	(384,427)

Net position of governmental activities **\$ 22,903,858**

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

Town of Woodside, California
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position
Governmental Activities
June 30, 2014

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
Current assets:				
Cash and investments	\$ 9,121,997	\$ -	\$ -	\$ 9,121,997
Receivables:				
Accounts receivable	79,756	-	-	79,756
Interest receivable	7,725	-	-	7,725
Intergovernmental receivable	54,537	-	-	54,537
Taxes receivable	132,993	-	-	132,993
Other Receivables	32,347	-	-	32,347
Due from other funds	37,950	(37,950)	-	-
Total current assets	9,467,305	(37,950)	-	9,429,355
Noncurrent assets:				
Capital assets, net	-	-	15,288,304	15,288,304
Total noncurrent assets	-	-	15,288,304	15,288,304
Total assets	\$ 9,467,305	\$ (37,950)	\$ 15,288,304	\$ 24,717,659
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 358,975	\$ -	\$ -	\$ 358,975
Deposits payable	1,070,399	-	-	1,070,399
Due to other funds	37,950	(37,950)	-	-
Total current liabilities	1,467,324	(37,950)	-	1,429,374
Noncurrent liabilities:				
Long-term liabilities:				
Compensated absences	-	-	240,435	240,435
Net OPEB obligation	-	-	143,992	143,992
Total noncurrent liabilities	-	-	384,427	384,427
Total liabilities	1,467,324	(37,950)	384,427	1,813,801
FUND BALANCES/NET POSITION				
Fund balances:				
Restricted reported in:				
Special revenue funds	3,253,590	(3,253,590)	-	-
Unassigned (deficit), reported in:				
General Fund	4,819,916	(4,819,916)	-	-
Special revenue funds	(73,525)	73,525	-	-
Net position:				
Net investment in capital assets	-	-	15,288,304	15,288,304
Restricted	-	-	3,253,590	3,253,590
Unrestricted	-	7,999,981	(3,638,017)	4,361,964
Total fund balances/ net position	7,999,981	-	14,903,877	22,903,858
Total liabilities and net position	\$ 9,467,305	\$ (37,950)	\$ 15,288,304	\$ 24,717,659

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

Town of Woodside, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2014

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
REVENUES:			
Taxes and assessments	\$ 5,263,826	\$ -	\$ 301,190
Licenses and permits	1,452,818	-	-
Fines and forfeitures	29,852	-	-
Intergovernmental	659,076	-	-
Use of money and property	17,313	5,122	233
Charges for services	297,544	-	-
Other revenues	219,682	-	272,530
Total revenues	7,940,111	5,122	573,953
EXPENDITURES:			
Current:			
Town Council	32,006	-	-
Administration and Finance	1,261,180	-	-
Planning Department	773,482	-	-
Buildings and Grounds	117,084	-	-
Town-wide Overhead	340,347	-	-
Safety Services	1,544,883	-	-
Trails and Stables	48,114	-	-
Barkley Fields	154,654	-	-
Library Services	(116)	95,717	-
Public Works	1,203,824	-	862,719
Recreation and Open Space	133,339	-	-
Capital outlay	-	-	6,622
Total expenditures	5,608,797	95,717	869,341
REVENUES OVER (UNDER) EXPENDITURES	2,331,314	(90,595)	(295,388)
OTHER FINANCING SOURCES (USES):			
Transfers in	515,465	-	500,000
Transfers out	(709,265)	(32,500)	(107,000)
Total other financing sources (uses)	(193,800)	(32,500)	393,000
Net change in fund balances	2,137,514	(123,095)	97,612
FUND BALANCES:			
Beginning of year	2,682,402	2,321,997	379,460
End of year	\$ 4,819,916	\$ 2,198,902	\$ 477,072

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

Other			
Governmental		Totals	
Funds			
\$ 181,650		\$ 5,746,666	
-		1,452,818	
32,512		62,364	
134,531		793,607	
650		23,318	
551,341		848,885	
2,030		494,242	
<u>902,714</u>		<u>9,421,900</u>	
-	32,006		
-	1,261,180		
-	773,482		
-	117,084		
-	340,347		
100,000	1,644,883		
-	48,114		
-	154,654		
-	95,601		
429,085	2,495,628		
-	133,339		
-	6,622		
<u>529,085</u>	<u>7,102,940</u>		
<u>373,629</u>	<u>2,318,960</u>		
-	1,015,465		
<u>(110,000)</u>	<u>(958,765)</u>		
<u>(110,000)</u>	<u>56,700</u>		
263,629	2,375,660		
<u>240,462</u>	<u>5,624,321</u>		
<u>\$ 504,091</u>	<u>\$ 7,999,981</u>		

Town of Woodside, California

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

For the year ended June 30, 2014

Functions/Programs	Fund Based Totals	Compensated Absences	Depreciation	Capital Asset (Additions), Retirements & Adjustments	OPEB Obligation	Government- wide Totals
Governmental activities:						
Town Council	\$ 32,006	\$ -	\$ -	\$ -	\$ -	\$ 32,006
Administration and Finance	1,261,180	18,716	39,346	(3,977)	(9,881)	1,305,384
Planning Department	773,482	-	2,918	-	-	776,400
Buildings and Grounds	117,084	-	12,500	-	-	129,584
Town-wide Overhead	340,347	-	53,496	39,255	-	433,098
Safety Services	1,644,883	-	1,353	(2,706)	-	1,643,530
Trails and Stables	48,114	-	-	-	-	48,114
Barkley Fields	154,654	-	85,149	-	-	239,803
Library Services	95,601	-	6,918	-	-	102,519
Public Works	2,495,628	-	18,284	(12,276)	-	2,501,636
Recreation and Open Space	133,339	-	-	-	-	133,339
Total governmental activities	\$ 7,102,940	\$ 18,716	\$ 219,964	\$ 13,674	\$ (9,881)	\$ 7,345,413

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

Town of Woodside, California
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2014

Net change in fund balances - total governmental funds \$ 2,375,660

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 6,622	
Capital asset adjustments	(20,296)	
Depreciation expense	<u>(219,964)</u>	(233,638)

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

Change in compensated absences		(18,716)
--------------------------------	--	----------

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

Net OPEB obligation		9,881
---------------------	--	-------

Change in net position of governmental activities \$ 2,133,187

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

Town of Woodside, California
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund and Major Special Revenue Funds
For the year ended June 30, 2014

	General Fund			
	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 3,755,112	\$ 3,755,112	\$ 5,263,826	\$ 1,508,714
Licenses and permits	966,450	966,450	1,452,818	486,368
Fines and forfeitures	11,000	11,000	29,852	18,852
Intergovernmental	584,000	584,000	659,076	75,076
Use of money and property	15,000	15,000	17,313	2,313
Charges for services	234,550	234,550	297,544	62,994
Other revenues	158,750	158,750	219,682	60,932
Total revenues	5,724,862	5,724,862	7,940,111	2,215,249
EXPENDITURES:				
Current:				
Town Council	35,635	35,635	32,006	3,629
Administration and Finance	1,073,957	1,218,957	1,261,180	(42,223)
Planning Department	824,286	824,286	773,482	50,804
Buildings and Grounds	197,567	197,567	117,084	80,483
Town-wide Overhead	424,175	424,175	340,347	83,828
Safety Services	1,528,931	1,563,931	1,544,883	19,048
Trails and Stables	71,383	71,383	48,114	23,269
Barkley Fields	149,580	149,580	154,654	(5,074)
Library Services	-	-	(116)	116
Public Works	973,685	1,244,105	1,203,824	40,281
Recreation and Open Space	147,320	147,320	133,339	13,981
Capital outlay	-	-	-	-
Total expenditures	5,426,519	5,876,939	5,608,797	268,142
REVENUES OVER (UNDER) EXPENDITURES	298,343	(152,077)	2,331,314	2,483,391
OTHER FINANCING SOURCES (USES):				
Transfers in	516,630	516,630	515,465	(1,165)
Transfers out	(710,430)	(710,430)	(709,265)	1,165
Total other financing sources (uses)	(193,800)	(193,800)	(193,800)	-
Net change in fund balances	104,543	(345,877)	2,137,514	2,483,391
FUND BALANCES:				
Beginning of year	2,682,402	2,682,402	2,682,402	-
End of year	\$ 2,786,945	\$ 2,336,525	\$ 4,819,916	\$ 2,483,391

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

Library Operations				Measure A			
Budgeted Amounts		Actual	Variance w/Final	Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)	Original	Final		Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 265,000	265,000	\$ 301,190	\$ 36,190
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	6,000	5,122	(878)	750	750	233	(517)
-	-	-	-	-	-	-	-
-	-	-	-	441,750	441,750	272,530	(169,220)
6,000	6,000	5,122	(878)	707,500	707,500	573,953	(133,547)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,635,409	1,635,409	95,717	1,539,692	-	-	-	-
-	-	-	-	1,065,600	1,065,600	862,719	202,881
-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,622	(6,622)
1,635,409	1,635,409	95,717	1,539,692	1,065,600	1,065,600	869,341	196,259
(1,629,409)	(1,629,409)	(90,595)	1,538,814	(358,100)	(358,100)	(295,388)	62,712
-	-	-	-	500,000	500,000	500,000	-
(32,500)	(32,500)	(32,500)	-	(107,000)	(107,000)	(107,000)	-
(32,500)	(32,500)	(32,500)	-	393,000	393,000	393,000	-
(1,661,909)	(1,661,909)	(123,095)	1,538,814	34,900	34,900	97,612	62,712
2,321,997	2,321,997	2,321,997	-	379,460	379,460	379,460	-
\$ 660,088	\$ 660,088	\$ 2,198,902	\$ 1,538,814	\$ 414,360	\$ 414,360	\$ 477,072	\$ 62,712

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PROPRIETARY FUNDS

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

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

Fund	Description
MAJOR FUNDS:	
Sewer Capital Improvement	Accounts for revenues and expenses associated with the sewer connections to the Redwood Creek Sewer Assessment District, allocated to sewer system improvements and rehabilitation.
Sewer Utility	Accounts for all activities associated with the operation and maintenance of providing sewage services. This fund includes a related reserve fund, used to accumulate revenues in support of prior year sewer operating costs, to be paid when negotiations with other agencies are completed.
Town Center Pump Sewer	Accounts for all the assets and liabilities of the Town Center Sewer District and to hold reserves for meeting all prior year liabilities to Redwood City and the County of San Mateo for the treatment, transportation, and capacity rental needs of the District.
Cañada Corridor Sewer	Accounts for the operation and maintenance of services provided by the Cañada Corridor Sanitary Sewer Area.

Town of Woodside, California
Statement of Net Position
Enterprise Funds
June 30, 2014

	<u>Sewer Capital Improvement</u>	<u>Sewer Utility</u>	<u>Town Center Pump Sewer</u>
ASSETS			
Current assets:			
Cash and investments	\$ 154,462	\$ 95,709	\$ 224,153
Receivables:			
Accounts	-	130	-
Interest	165	-	361
Loans	4,836	-	-
Total current assets	<u>159,463</u>	<u>95,839</u>	<u>224,514</u>
Noncurrent assets:			
Capital assets, net	-	-	299,501
Total assets	<u>\$ 159,463</u>	<u>\$ 95,839</u>	<u>\$ 524,015</u>
LIABILITIES AND Net Position			
Current liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 2,440	\$ -
Total current liabilities	<u>-</u>	<u>2,440</u>	<u>-</u>
Noncurrent liabilities:			
Unearned revenues	4,836	-	-
Total liabilities	<u>4,836</u>	<u>2,440</u>	<u>-</u>
Net Position:			
Net investment in capital assets	-	-	299,501
Unrestricted	154,627	93,399	224,514
Total Net Position	<u>154,627</u>	<u>93,399</u>	<u>524,015</u>
Total liabilities and Net Position	<u>\$ 159,463</u>	<u>\$ 95,839</u>	<u>\$ 524,015</u>

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

Cañada Corridor Sewer	Totals
\$ 118	\$ 474,442
-	130
-	526
-	4,836
<u>118</u>	<u>479,934</u>
<u>320,199</u>	<u>619,700</u>
<u>\$ 320,317</u>	<u>\$ 1,099,634</u>
\$ -	\$ 2,440
-	2,440
-	4,836
-	7,276
<u>320,199</u>	<u>619,700</u>
<u>118</u>	<u>472,658</u>
<u>320,317</u>	<u>1,092,358</u>
<u>\$ 320,317</u>	<u>\$ 1,099,634</u>

Town of Woodside, California
Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the year ended June 30, 2014

	Sewer Capital Improvement	Sewer Utility	Town Center Pump Sewer
OPERATING REVENUES:			
Charges for services	\$ -	\$ 257,065	\$ -
Other	14,250	-	-
Total operating revenues	14,250	257,065	-
OPERATING EXPENSES:			
Salaries and benefits	27,484	46,565	-
Materials and supplies	-	124,406	51,771
Depreciation	-	-	74,873
Total operating expenses	27,484	170,971	126,644
OPERATING INCOME(LOSS)	(13,234)	86,094	(126,644)
NONOPERATING REVENUES:			
Interest revenue	350	802	690
Total non-operating revenues, net	350	802	690
NET INCOME BEFORE TRANSFERS	(12,884)	86,896	(125,954)
Transfers out	-	(28,500)	(24,500)
Total transfers	-	(28,500)	(24,500)
CHANGE IN NET POSITION	(12,884)	58,396	(150,454)
NET POSITION:			
Beginning of year	167,511	35,003	674,469
End of year	\$ 154,627	\$ 93,399	\$ 524,015

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

Cañada Corridor Sewer	Totals
\$ 18,642	\$ 275,707
-	14,250
<u>18,642</u>	<u>289,957</u>
-	74,049
13,752	189,929
<u>16,010</u>	<u>90,883</u>
<u>29,762</u>	<u>354,861</u>
<u>(11,120)</u>	<u>(64,904)</u>
-	1,842
-	1,842
(11,120)	(63,062)
<u>(3,700)</u>	<u>(56,700)</u>
(3,700)	(56,700)
(14,820)	(119,762)
<u>335,137</u>	<u>1,212,120</u>
<u>\$ 320,317</u>	<u>\$ 1,092,358</u>

Town of Woodside, California
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2014

	Sewer Capital Improvement	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received (refunds paid) from (to) customers/users for services provided	\$ 14,250	\$ 257,022
Cash payments to suppliers for goods and services	-	(124,494)
Cash payments to employees for services	(27,484)	(46,565)
Net cash provided by operating activities	(13,234)	85,963
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers received (paid)	-	(27,428)
Net cash used by noncapital financing activities	-	(27,428)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	-	-
Net cash (used) by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	282	802
Net cash provided by investing activities	282	802
Net increase (decrease) in cash and cash equivalents	(12,952)	59,337
CASH AND CASH EQUIVALENTS:		
Beginning of year	167,414	36,372
End of year	<u>\$ 154,462</u>	<u>\$ 95,709</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Operating income (loss)	\$ (13,234)	\$ 86,094
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	-
(Increase) decrease in current assets:		
Accounts receivable	-	(43)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	-	(88)
Net cash provided by operating activities	\$ (13,234)	\$ 85,963

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2014.

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

Town Center Pump Sewer	Cañada Corridor Sewer	Totals
\$ -	\$ 18,642	\$ 289,914
(51,771)	(13,752)	(190,017)
-	-	(74,049)
(51,771)	4,890	25,848
(24,500)	(4,772)	(56,700)
(24,500)	(4,772)	(56,700)
-	-	-
-	-	-
525	-	1,609
525	-	1,609
(75,746)	118	(29,243)
299,899	-	503,685
\$ 224,153	\$ 118	\$ 474,442
\$ (126,644)	\$ (11,120)	\$ (64,904)
74,873	16,010	90,883
-	-	(43)
-	-	(88)
\$ (51,771)	\$ 4,890	\$ 25,848

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FIDUCIARY FUNDS

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

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

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Town of Woodside, California
Statement of Assets and Liabilities
Agency Funds
June 30, 2014

	ASSETS	<u>Totals</u>
Cash and investments		\$ 438,232
Receivables:		
Interest		<u>636</u>
Total assets		<u><u>\$ 438,868</u></u>
	LIABILITIES	
Due to others		<u>\$ 438,868</u>
Total liabilities		<u><u>\$ 438,868</u></u>

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

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NOTES TO BASIC FINANCIAL STATEMENTS

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Town of Woodside, California
Basic Financial Statements
For the year ended June 30, 2014

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Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Financial Reporting Entity

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

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

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

The Town reports the following major funds:

- General Fund
- Library Operations Special Revenue Fund
- Measure A Special Revenue Fund

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with the Town which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the Town's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Fiduciary Funds

Agency Funds

Agency Funds account for assets held by the Town in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not presented in the government-wide financial statements. There are six agency funds, five of which account for fees collected for other agencies for capital facilities and development and the sixth accounts for improvement assessments paid by businesses.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The enterprise funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting, Continued

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The enterprise funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Assets, Liabilities, and Equity

Cash Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred inflows in the fund financial statements in accordance with the modified accrual basis, but not deferred inflows in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The Town's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting, Continued

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a nonspendable fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

Capital Assets

The Town's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, streets, drainage systems, and pumps.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. Since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated Absences

Employees accrue personal leave, holiday, administrative leave, and compensatory time off benefits. Town employees have vested interests in the amount of accrued time off and are paid on termination. All personal leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for the entire amount is reported in the governmental funds. The general fund is typically used to liquidate compensated absences.

Unearned Revenues

Unearned revenues in governmental funds arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues in enterprise funds and the statement of net position arise when resources are received by the Town before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenses).

Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Equity Classification, Continued

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the Town:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., Gas Tax).

Committed Fund Balance –

- Self imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- The Town Council delegates the authority to the Town Manager to assign fund balance amounts to specific purposes when such purposes are enacted by the Town Council.

Unassigned Fund Balance –

- Residual net resources.
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues, Expenditures, and Expenses

Property Tax

The County of San Mateo (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The Town recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The Town participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to San Mateo County.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Budgetary Accounting

The Town Council establishes budgets for the General Fund and all Special Revenue Funds. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the Town Manager. The Town Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the Town Council and is adopted by resolution by the Town Council on or before June 30 in accordance with the municipal code.

The Town Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The Town Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2014. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

2. CASH AND INVESTMENTS

At June 30, 2014, the Town's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	<u>Not rated</u>	<u>Fair Market Value</u>
<u>Cash equivalents and investments pooled</u>		
Pooled cash, at fair value		
Cash in bank	\$ 81,294	\$ 81,294
Petty cash	600	600
Total pooled items	<u>81,894</u>	<u>81,894</u>
Pooled investments, at fair value		
<u>Interest obligations</u>		
State of California Local Agency Investment Fund	<u>9,952,777</u>	<u>9,952,777</u>
Total pooled investments - interest obligations	<u>9,952,777</u>	<u>9,952,777</u>
Total cash equivalents and investments pooled	<u>\$ 10,034,671</u>	<u>\$ 10,034,671</u>
Amounts reported in:		
Governmental activities		\$ 9,121,997
Business-type activities		474,442
Fiduciary activities - Agency Funds		438,232
Total		<u>\$ 10,034,671</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Local Agency Investment Fund	<u>9,952,777</u>	0.64
Total fair value	<u>\$ 9,952,777</u>	
Portfolio weighted average maturity		0.64

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

Concentration of credit risk – The Town’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the Town Treasurer are limited to those allowable under State statutes as incorporated into the Town’s Investment Policy, which is accepted annually by the Town Council. There were no concentrations in any one issuer for the year.

The Town participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF) which has invested 1.86% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk such as changes in interest rates.

Custodial credit risk – deposits. For deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s Investment Policy addresses custodial credit risk, which follows the Government Code. As of June 30, 2014, the Town had a balance of \$46,507 and exceeded the \$250,000 Federal Deposit Insurance Corporation’s insurance limits.

Custodial credit risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the Town, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

At June 30, 2014, the carrying amount of the Town’s deposits was \$81,294 and the balances in financial institutions were \$296,507. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$46,507 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the Town and other governmental agencies, but not in the name of the Town. As of June 30, 2014, the Town’s investments were held by the Town’s custodial agent, but not in the Town’s name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$64,870,214,443 of which the Town’s fair value amount is \$9,952,777. Of the total invested, 1.86% was invested in Structured Notes and Asset-Backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Town’s investment in this pool is reported in the accompanying financial statements at amounts based upon the Town’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2014:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts	\$ 79,756	\$ 130	\$ -	\$ 79,886
Interest	7,725	526	636	8,887
Intergovernmental	54,537	-	-	54,537
Taxes	132,993	-	-	132,993
Loans	-	4,836	-	4,836
Other	32,347	-	-	32,347
Total accounts receivable	<u>\$ 307,358</u>	<u>\$ 5,492</u>	<u>\$ 636</u>	<u>\$ 313,486</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	61.4%
Individuals/Businesses	35.8%
Financial	2.8%

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

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Governmental activities:					
Nondepreciable assets:					
Land	\$ 9,468,373	\$ -	\$ -	\$ -	\$ 9,468,373
Total nondepreciable assets	<u>9,468,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,468,373</u>
Depreciable assets:					
Buildings and improvements	7,057,683	-	-	-	7,057,683
Machinery & equipment	1,062,042	6,622	(3,048)	3	1,065,619
Total depreciable assets	<u>8,119,725</u>	<u>6,622</u>	<u>(3,048)</u>	<u>3</u>	<u>8,123,302</u>
Total	<u>17,588,098</u>	<u>6,622</u>	<u>(3,048)</u>	<u>3</u>	<u>17,591,675</u>
Accumulated depreciation:					
Buildings and improvements	(1,448,660)	(141,154)	-	-	(1,589,814)
Machinery & equipment	(617,496)	(78,810)	3,048	(20,299)	(713,557)
Total accumulated depreciation	<u>(2,066,156)</u>	<u>(219,964)</u>	<u>3,048</u>	<u>(20,299)</u>	<u>(2,303,371)</u>
Net depreciable assets	<u>6,053,569</u>	<u>(213,342)</u>	<u>-</u>	<u>(20,296)</u>	<u>5,819,931</u>
Total net capital assets	<u>\$ 15,521,942</u>	<u>\$ (213,342)</u>	<u>\$ -</u>	<u>\$ (20,296)</u>	<u>\$ 15,288,304</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

4. CAPITAL ASSETS, Continued

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>Business-type activities</u>				
Depreciable assets:				
Buildings and improvements	\$ 141,706	\$ -	\$ -	\$ 141,706
Pumps and collections system	2,726,497	-	-	2,726,497
Machinery & equipment	9,727	-	-	9,727
Total depreciable assets	2,877,930	-	-	2,877,930
Accumulated depreciation:				
Buildings and improvements	(141,706)	-	-	(141,706)
Pumps and collections system	(2,015,914)	(90,883)	-	(2,106,797)
Machinery & equipment	(9,727)	-	-	(9,727)
Total accumulated depreciation	(2,167,347)	(90,883)	-	(2,258,230)
Total net capital assets	\$ 710,583	\$ (90,883)	\$ -	\$ 619,700

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

Governmental Activities	
Administration and Finance	\$ 39,346
Planning Department	2,918
Buildings and Grounds	12,500
Town-wide Overhead	53,496
Safety Services	1,353
Barkley Fields	85,149
Library Services	6,918
Public Works	18,284
Total	<u>\$ 219,964</u>
Business-Type Activities	
Town center pump sewer	\$ 74,873
Cañada Corridor sewer	16,010
Total	<u>\$ 90,883</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2014:

	Governmental Activities	Business-type Activities	Total
Accounts payable and accrued liabilities	\$ 358,975	\$ 2,440	\$ 361,415
Deposits payable	1,070,399	-	1,070,399
Unearned revenue	-	4,836	4,836
Total	<u>\$ 1,429,374</u>	<u>\$ 7,276</u>	<u>\$ 1,436,650</u>

These amounts resulted in the following concentrations in payables:

Vendors	25.2%
Individuals	74.8%

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

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Compensated Absences	\$ 221,719	\$ 18,716	\$ -	\$ 240,435	\$ -
Net OPEB Obligation	153,873	-	(9,881)	143,992	-
Total noncurrent liabilities	<u>\$ 375,592</u>	<u>\$ 18,716</u>	<u>\$ (9,881)</u>	<u>\$ 384,427</u>	<u>\$ -</u>

Compensated Absences

The Town's long-term liabilities consist of amounts due to employees for earned but unused compensated absences, including personal leave and compensated time off leave balances. These amounts are typically liquidated by the General Fund.

Net OPEB Obligation

A net OPEB obligation is the cumulative differences between annual OPEB cost and an employer's contributions to a plan. At June 30, 2014, the Town had a Net OPEB Obligation of \$143,992. See Note 11 for further discussion on OPEB.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

7. NET POSITION/ FUND BALANCES

Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net investment in capital assets	\$ 15,288,304	\$ 619,700
Restricted	3,253,590	-
Unrestricted	4,361,964	472,658
Total	<u>\$ 22,903,858</u>	<u>\$ 1,092,358</u>

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

Fund Balance

Restricted and Unassigned fund balance consisted of the following at June 30, 2014:

Restricted:	
Major Funds:	
Library Operations	\$ 2,198,902
Measure A	477,072
Total Major Funds- Restricted	<u>2,675,974</u>
Nonmajor Funds:	
Traffic Safety	\$ 46,903
Road Impact Fees	429,237
Gas Tax	91,264
California Law Enforcement Equipment Program	10,212
Total Nonmajor Funds- Restricted	<u>577,616</u>
Total Restricted	<u>\$ 3,253,590</u>
Unassigned (deficit):	
Major Funds:	
General Fund	4,819,916
Total Major Funds- Unassigned	<u>4,819,916</u>
Nonmajor Funds:	
Supplemental Law Enforcement Service	(5,692)
HSIP/TA Grant	(67,833)
Total Nonmajor Funds- Unassigned (deficit)	<u>(73,525)</u>
Total Unassigned	<u>4,746,391</u>
Total Fund Balance	<u>\$ 7,999,981</u>

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

7. NET POSITION/ FUND BALANCES, Continued

The following describes the purpose of each nonspendable, restriction, and commitment account used by the Town:

Restricted

- **Library Operations** – represents amounts restricted for revenues and expenditures derived from the Town’s membership in the San Mateo County Library System Joint Powers Authority (JPA).
- **Measure A** – represents amounts restricted for the Town’s share of a one-half cent sales tax revenue for road repairs and construction.
- **Traffic Safety** – represents amounts restricted for receipts from fines and forfeitures from violations of the California Vehicle Code, for support of the Town’s Road Program.
- **Road Impact Fees** – represents amounts restricted for receipts of road impact fees, assessed against all building projects, for road maintenance.
- **Gas Tax** – represents amounts restricted for road maintenance and construction purposes by the California Streets and Highways Code.
- **California Law Enforcement Equipment Program** – represents amounts restricted for State of California grants funds for law enforcement equipment acquisitions.
- **HSIP/ TA Grant** – represents amounts restricted for State of California highway safety improvement program grant funds.

Deficit fund balances consisted of the following at June 30, 2014:

Nonmajor Special Revenue Funds:

Supplemental Law Enforcement Service - (\$5,692)

HSIP/TA Grant - (\$67,833)

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

Excess of Expenditures and Transfers Over Appropriations: Expenditures and transfers exceeded appropriations for the year ended June 30, 2014, for the following funds:

	<u>Final Budget</u>	<u>Total Expenditures and Transfers</u>	<u>Excess Expenditures Over Appropriations</u>
<u>Governmental Activities</u>			
Nonmajor Funds:			
Traffic Safety Special Revenue Fund	\$ 32,500	\$ 33,131	\$ (631)

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

8. INTERFUND TRANSACTIONS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

Transfers consisted of the following at June 30, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 515,465	\$ 709,265
Library Operations	-	32,500
Measure A	500,000	107,000
Total Major Funds	<u>1,015,465</u>	<u>848,765</u>
Non-major Funds:		
Special Revenue Funds:		
Road Impact Fees	-	75,000
Gas Tax	-	35,000
Total Non-major Special Revenue Funds	<u>-</u>	<u>110,000</u>
Total Non-major Funds	<u>-</u>	<u>110,000</u>
Total Governmental Activities	<u>1,015,465</u>	<u>958,765</u>
<u>Business-type Activities</u>		
Sewer Utility	-	28,500
Town Center Pump Sewer	-	24,500
Cañada Corridor Sewer	-	3,700
Total Business-type Activities	<u>-</u>	<u>56,700</u>
Total Transfers	<u>\$ 1,015,465</u>	<u>\$ 1,015,465</u>

9. RISK MANAGEMENT

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

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

9. RISK MANAGEMENT, Continued

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

Amount	Coverage Provider	Payment Source
General Liability Claims:		
up to \$25,000	Self-insured retention	Town Funds
\$25,001 - \$5,000,000	ABAG PLAN	Shared risk pool
\$5,000,001 - \$10,000,000	Insurance Company of the State of PA through ABAG	Alliant Insurance Services
\$10,000,001 - \$20,000,000	Lexington Insurance Company through ABAG	Alliant Insurance Services
Workers' Compensation Claims:		
up to \$1,000,000	State Compensation Insurance Fund	State Compensation Insurance Fund

10. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

Plan Description

The Town of Woodside contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. All permanent and part-time employees working at least 1,000 hours per year are enrolled in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor multiplied by their highest average monthly salary over 12 consecutive months of employment. Benefit provisions and all other requirements are established by State statute. The establishment and amendment of specific benefit provisions of the Plan is authorized by resolution of the Town Council. PERS requires plans with less than 100 active participants to participate in risk pools. For employees hired prior to January 1, 2013, (known as ‘Classic’ members by CalPERS) the Town participates in the Miscellaneous 2.5% at 55 Risk Pool and for employees hired after January 1, 2013, (employees hired after January 1, 2013 are referred to as – “PEPRA” employees by CalPERS - Public Employees’ Pension Reform Act) the Town participates in the Miscellaneous plan 2% at 62 Risk Pool, for the year ended June 30, 2014. Copies of the PERS annual financial report may be obtained from their Executive Office at 400 P Street, Sacramento, CA 95814.

Funding Policy

The Town is required to contribute at an actuarially determined rate. The current rate is 16.438% of the annual covered payroll for miscellaneous employees hired before January 1, 2013 and 6.25% for miscellaneous employees hired after January 1, 2013. The Town’s contributions for the years ended June 30, 2014, 2013 and 2012 were \$268,965, \$270,571 and \$341,311, respectively, which were equal to the required contributions for each year. Active PERS plan members are required to contribute a percentage of their annual covered salary. The percentage required is 8% for miscellaneous employees. For Town employees hired prior to June 30, 2013, the Town makes 75% of the contributions required on their behalf and for their account, and amounted to \$96,038. New and classic employees contributed \$35,729.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

11. OTHER POST EMPLOYMENT BENEFITS

Plan Description. The Town of Woodside Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the Town. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. The Town provides retiree medical benefits through the California Public Employees’ Retirement System healthcare program (PEMHCA). For eligible retirees and actives, the Town pays full employee premiums.

Commencing with fiscal year 2011, the Town participates in the California Employers’ Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to prefund retiree healthcare benefits. CERBT, an agent multiple-employer trust, issues a publicly available financial report including GASB Statement No. 43, Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans, disclosure information in aggregate with the other CERBT participating employers. That report can be obtained from the CalPERS Web site at www.calpers.ca.gov.

Eligibility: Employees are eligible to participate in the Town’s Retiree Healthcare Plan if they retire directly from the Town under CalPERS with five years of PERS service (there is no minimum service requirement if retirement is due to a service-connected disability.) Since PEMHCA is a community rated plan for most employers, an implied subsidy is not reflected under GASB 45. The Town does not provide dental, vision, life, or Medicare Part B reimbursement to retirees. The Retiree Healthcare Plan does not issue a financial report.

Membership of the plan consisted of the following at June 30, 2014

Retirees and beneficiaries receiving benefits	6
Current staff receiving benefits	8
Other “Classic” participants not yet fully eligible for benefits	8
“PEPRA” participants not yet fully eligible for benefits	2
Total	24

Funding Policy. The contribution requirements of the Plan participants and the Town are established by and may be amended by the Town. The Town currently prefunds plan benefits through the CERBT by contributing at least 100% of the Annual Required Contribution (ARC).

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

For FY 2014, the Town contributed \$114,097 to the Plan, including \$46,050 for current benefit payments and \$68,047 to prefund Plan benefits.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

11. OTHER POST EMPLOYMENT BENEFITS, Continued

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

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

Annual required contribution	\$ 102,689
Adjustment to ARC and interest received in trust	1,527
Annual OPEB cost (expense)	<u>104,216</u>
Contributions made to irrevocable trust	(68,047)
Contributions made (premiums paid) outside of trust	<u>(46,050)</u>
Increase (Decrease) in net OPEB obligation	(9,881)
Net OPEB obligation – beginning of year	<u>153,873</u>
Net OPEB obligation – end of year	<u><u>\$ 143,992</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for FY 2014 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	108,183	98%	152,790
6/30/13	112,948	99%	153,873
6/30/14	102,689	109%	143,992

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

Actuarial accrued liability (AAL)	\$ 1,106,555
Actuarial value of Plan assets	<u>235,396</u>
Unfunded actuarial accrued liability (UAAL)	\$ 871,159
Funded ratio (actuarial value of Plan assets/AAL)	21.27%
Covered payroll (active Plan participants)	\$ 1,689,250
UAAL as a percentage of covered payroll	51.6%

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

11. OTHER POST EMPLOYMENT BENEFITS, Continued

Funded Status and Funding Progress, continued

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

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

For the July 1, 2013, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.06% investment rate of return (net of administrative expenses) and a 3.25% general inflation assumption. Health care trends were assumed to increase with a medical cost increase rate 6.7%, grading down to 5.0% for 2021 and thereafter. The Town pays the monthly premiums for retirees' medical coverage up to a maximum of \$950/mo. The total Unfunded Actuarial Accrued Liability calculated in the July 1, 2013, valuation was amortized as a level percentage of projected payrolls over a 30-year period beginning fiscal year 2013.

12. COMMITMENTS AND CONTINGENCIES

The Town is a party to claims and lawsuits arising in the ordinary course of business. The Town's management and legal council are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the Town. The Town participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Town of Woodside, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2014

13. JOINT POWERS AGREEMENT

The town participates in the City/County Association of Governments of San Mateo County (C/CAG), which is governed by a board consisting of a representative from each member. The board controls the operations of C/CAG, including selection of management and approval of operating budgets, independent of any influence by each member beyond member representation of the Board.

C/CAG was established under a 1990 Joint Exercise of Powers Agreement between the Town, San Mateo County and a majority of cities within San Mateo County for the purpose of developing State mandated plans such as an integrated waste management plan. The Town makes annual nonrefundable contributions to C/CAG which is used along with other member contributions to finance C/CAG operations. Audited financial statements may be obtained from the City of San Carlos, 666 Elm Street, San Carlos, CA, 94070. The Town's payments to C/CAG during the year totaled \$4,719. The Town's share of year-end assets, liabilities, or fund equity has not been calculated by C/CAG.

14. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27" The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement will be effective for periods beginning after June 15, 2014. The Town will implement this Statement in FY 2015.

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations". This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will be effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2014. The Town will implement this Statement in FY 2015.

The GASB has issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement will be effective for periods beginning after June 15, 2014. The Town will implement this Statement in FY 2015.

Town of Woodside, California
Required Supplementary Information
For the year ended June 30, 2014

Required Supplementary Information
Other Postemployment Benefits
Schedule of Funding Progress

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

¹ The 7/1/2012 Actuarial Accrued Liability was calculated using a discount rate of 7.61%

² The 7/1/2013 Actuarial Accrued Liability was calculated using a discount rate of 7.61%

³ The 7/1/2014 Actuarial Accrued Liability was calculated using a discount rate of 7.06%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR GOVERNMENTAL FUNDS

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

Town of Woodside, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
ASSETS			
Cash and investments	\$ 48,066	\$ 430,422	\$ 64,435
Receivables:			
Interest	42	288	96
Intergovernmental	-	-	26,733
Other receivable	-	-	-
Total assets	<u>\$ 48,108</u>	<u>\$ 430,710</u>	<u>\$ 91,264</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,205	\$ 1,473	\$ -
Due to other funds	-	-	-
Total liabilities	<u>1,205</u>	<u>1,473</u>	<u>-</u>
Fund Balances:			
Restricted:	46,903	429,237	91,264
Unassigned (deficit), reported in:			
Special revenue funds	-	-	-
Total fund balances	<u>46,903</u>	<u>429,237</u>	<u>91,264</u>
Total liabilities and fund balances	<u>\$ 48,108</u>	<u>\$ 430,710</u>	<u>\$ 91,264</u>

Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	HSIP/TA Grant	Total Non-Major Governmental Funds
\$ -	\$ 10,212	\$ 11,030	\$ 564,165
(89)	-	5	342
-	-	-	26,733
32,347	-	-	32,347
<u>\$ 32,258</u>	<u>\$ 10,212</u>	<u>\$ 11,035</u>	<u>\$ 623,587</u>
\$ -	\$ -	\$ 78,868	\$ 81,546
37,950	-	-	37,950
<u>37,950</u>	<u>-</u>	<u>78,868</u>	<u>119,496</u>
-	10,212	-	577,616
(5,692)	-	(67,833)	(73,525)
(5,692)	10,212	(67,833)	504,091
<u>\$ 32,258</u>	<u>\$ 10,212</u>	<u>\$ 11,035</u>	<u>\$ 623,587</u>

Town of Woodside, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2014

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ 181,650
Fines and forfeitures	32,512	-	-
Intergovernmental	-	-	-
Use of money and property	107	361	177
Charges for services	-	551,341	-
Other revenues	2,030	-	-
Total revenues	34,649	551,702	181,827
EXPENDITURES:			
Current:			
Safety Services	-	-	-
Public Works	33,131	173,639	140,952
Total expenditures	33,131	173,639	140,952
REVENUES OVER (UNDER) EXPENDITURES	1,518	378,063	40,875
OTHER FINANCING SOURCES (USES):			
Transfers out	-	(75,000)	(35,000)
Total other financing sources (uses)	-	(75,000)	(35,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	1,518	303,063	5,875
FUND BALANCES:			
Beginning of year	45,385	126,174	85,389
End of year	<u>\$ 46,903</u>	<u>\$ 429,237</u>	<u>\$ 91,264</u>

Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	HSIP/TA Grant	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 181,650
-	-	-	32,512
121,006	-	13,525	134,531
-	-	5	650
-	-	-	551,341
-	-	-	2,030
<u>121,006</u>	<u>-</u>	<u>13,530</u>	<u>902,714</u>
100,000	-	-	100,000
-	-	81,363	429,085
<u>100,000</u>	<u>-</u>	<u>81,363</u>	<u>529,085</u>
21,006	-	(67,833)	373,629
-	-	-	(110,000)
-	-	-	(110,000)
21,006	-	(67,833)	263,629
<u>(26,698)</u>	<u>10,212</u>	<u>-</u>	<u>240,462</u>
<u>\$ (5,692)</u>	<u>\$ 10,212</u>	<u>\$ (67,833)</u>	<u>\$ 504,091</u>

Town of Woodside, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Safety Special Revenue Fund
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 32,512	\$ 2,512
Use of money and property	200	200	107	(93)
Other revenues	2,000	2,000	2,030	30
Total revenues	32,200	32,200	34,649	2,449
EXPENDITURES:				
Current:				
Public works	28,500	32,500	33,131	(631)
Total expenditures	28,500	32,500	33,131	(631)
REVENUES OVER (UNDER)				
EXPENDITURES	3,700	(300)	1,518	1,818
Net change in fund balances	3,700	(300)	1,518	1,818
FUND BALANCES:				
Beginning of year	45,385	45,385	45,385	-
End of year	\$ 49,085	\$ 45,085	\$ 46,903	\$ 1,818

Town of Woodside, California

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

Road Impact Fees Special Revenue Fund

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,500	\$ 1,500	\$ 361	\$ (1,139)
Charges for services	250,000	250,000	551,341	301,341
Total revenues	251,500	251,500	551,702	300,202
EXPENDITURES:				
Current:				
Public works	161,221	181,221	173,639	7,582
Total expenditures	161,221	181,221	173,639	7,582
REVENUES OVER (UNDER) EXPENDITURES	90,279	70,279	378,063	307,784
OTHER FINANCING SOURCES (USES):				
Transfers out	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	(75,000)	(75,000)	(75,000)	-
Net change in fund balances	15,279	(4,721)	303,063	307,784
FUND BALANCES:				
Beginning of year	126,174	126,174	126,174	-
End of year	\$ 141,453	\$ 121,453	\$ 429,237	\$ 307,784

Town of Woodside, California

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

Gas Tax Special Revenue Fund

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 172,500	\$ 172,500	\$ 181,650	\$ 9,150
Use of money and property	-	-	177	177
Total revenues	<u>172,500</u>	<u>172,500</u>	<u>181,827</u>	<u>9,327</u>
EXPENDITURES:				
Current:				
Public works	<u>141,842</u>	<u>141,842</u>	<u>140,952</u>	<u>890</u>
Total expenditures	<u>141,842</u>	<u>141,842</u>	<u>140,952</u>	<u>890</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>30,658</u>	<u>30,658</u>	<u>40,875</u>	<u>10,217</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Net change in fund balances	<u>(4,342)</u>	<u>(4,342)</u>	<u>5,875</u>	<u>10,217</u>
FUND BALANCES:				
Beginning of year	<u>85,389</u>	<u>85,389</u>	<u>85,389</u>	<u>-</u>
End of year	<u>\$ 81,047</u>	<u>\$ 81,047</u>	<u>\$ 91,264</u>	<u>\$ 10,217</u>

Town of Woodside, California

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

Supplemental Law Enforcement Services Special Revenue Fund

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 121,006	\$ 21,006
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>121,006</u>	<u>21,006</u>
EXPENDITURES:				
Current:				
Safety services	100,000	100,000	100,000	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	21,006	21,006
Net change in fund balances	-	-	21,006	21,006
FUND BALANCES:				
Beginning of year	(26,698)	(26,698)	(26,698)	-
End of year	<u>\$ (26,698)</u>	<u>\$ (26,698)</u>	<u>\$ (5,692)</u>	<u>\$ 21,006</u>

Town of Woodside, California

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

California Law Enforcement Equipment Program Special Revenue Fund

For the year ended June 30, 2014

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

Town of Woodside, California

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

HSIP/TA Grant Special Revenue Fund

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 13,525	\$ 13,525
Use of money and property	-	-	5	5
Total revenues	-	-	13,530	13,530
EXPENDITURES:				
Current:				
Public safety	-	50,000	81,363	(31,363)
Total expenditures	-	50,000	81,363	(31,363)
REVENUES OVER (UNDER)				
EXPENDITURES	-	(50,000)	(67,833)	(17,833)
Net change in fund balances	-	(50,000)	(67,833)	(17,833)
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ (50,000)	\$ (67,833)	\$ (17,833)

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AGENCY FUNDS

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

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

Town of Woodside, California
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2014

	1999 Woodside Road/ Whiskey Hill Road Parking District	Trail Gifts and Donations Fund	Mathiesen House	Marva Oaks
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments	\$ 111,041	\$ 58,772	\$ 8,429	\$ 20,836
Receivables:				
Interest	97	59	9	22
Total assets	<u>\$ 111,138</u>	<u>\$ 58,831</u>	<u>\$ 8,438</u>	<u>\$ 20,858</u>
LIABILITIES				
Due to others	\$ 111,138	\$ 58,831	\$ 8,438	\$ 20,858
Total liabilities	<u>\$ 111,138</u>	<u>\$ 58,831</u>	<u>\$ 8,438</u>	<u>\$ 20,858</u>

<u>Town Hall Window Fund</u>	<u>Barkley Reserve Deposit Fund</u>	<u>Totals</u>
\$ 6,010	\$ 233,144	\$ 438,232
<u>6</u>	<u>443</u>	<u>636</u>
<u>\$ 6,016</u>	<u>\$ 233,587</u>	<u>\$ 438,868</u>
<u>\$ 6,016</u>	<u>\$ 233,587</u>	<u>\$ 438,868</u>
<u>\$ 6,016</u>	<u>\$ 233,587</u>	<u>\$ 438,868</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<hr/> 1999 Woodside Road/Whiskey Hill Road Parking District <hr/>				
ASSETS				
Cash and investments	\$ 112,055	\$ -	\$ (1,014)	\$ 111,041
Receivables:				
Interest	47	97	(47)	97
Total assets	<u>\$ 112,102</u>	<u>\$ 97</u>	<u>\$ (1,061)</u>	<u>\$ 111,138</u>
LIABILITIES				
Due to others	112,102	111,138	(112,102)	111,138
Total liabilities	<u>\$ 112,102</u>	<u>\$ 111,138</u>	<u>\$ (112,102)</u>	<u>\$ 111,138</u>
<hr/> Trails Gifts and Donations Funds <hr/>				
ASSETS				
Cash and investments	\$ 54,403	\$ 4,369	\$ -	\$ 58,772
Receivables:				
Interest	32	59	(32)	59
Total assets	<u>\$ 54,435</u>	<u>\$ 4,428</u>	<u>\$ (32)</u>	<u>\$ 58,831</u>
LIABILITIES				
Due to (from) others	\$ 54,435	\$ 4,428	\$ (32)	\$ 58,831
Total liabilities	<u>\$ 54,435</u>	<u>\$ 4,428</u>	<u>\$ (32)</u>	<u>\$ 58,831</u>
<hr/> Mathisen House <hr/>				
ASSETS				
Cash and investments	\$ 8,717	\$ -	\$ (288)	\$ 8,429
Receivables:				
Interest	6	9	(6)	9
Total assets	<u>\$ 8,723</u>	<u>\$ 9</u>	<u>\$ (294)</u>	<u>\$ 8,438</u>
LIABILITIES				
Due to (from) others	\$ 8,723	\$ 9	\$ (294)	\$ 8,438
Total liabilities	<u>\$ 8,723</u>	<u>\$ 9</u>	<u>\$ (294)</u>	<u>\$ 8,438</u>

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2014

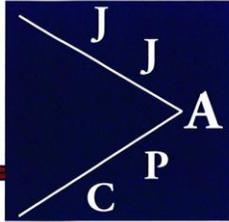
	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Marva Oaks				
ASSETS				
Cash and investments	\$ 20,798	\$ 38	\$ -	\$ 20,836
Receivables:				
Interest	12	22	(12)	22
Total assets	<u>\$ 20,810</u>	<u>\$ 60</u>	<u>\$ (12)</u>	<u>\$ 20,858</u>
LIABILITIES				
Due to (from) others	\$ 20,810	\$ 60	\$ (12)	\$ 20,858
Total liabilities	<u>\$ 20,810</u>	<u>\$ 60</u>	<u>\$ (12)</u>	<u>\$ 20,858</u>
Town Hall Window Fund				
ASSETS				
Cash and investments	\$ 5,999	\$ 11	\$ -	\$ 6,010
Receivables:				
Interest	4	6	(4)	6
Total assets	<u>\$ 6,003</u>	<u>\$ 17</u>	<u>\$ (4)</u>	<u>\$ 6,016</u>
LIABILITIES				
Due to (from) others	\$ 6,003	\$ 17	\$ (4)	\$ 6,016
Total liabilities	<u>\$ 6,003</u>	<u>\$ 17</u>	<u>\$ (4)</u>	<u>\$ 6,016</u>
Barkley Reserve Deposit Fund				
ASSETS				
Cash and investments	\$ 232,725	\$ 419	\$ -	\$ 233,144
Receivables:				
Interest	337	443	(337)	443
Total assets	<u>\$ 233,062</u>	<u>\$ 862</u>	<u>\$ (337)</u>	<u>\$ 233,587</u>
LIABILITIES				
Due to (from) others	\$ 233,062	\$ 862	\$ (337)	\$ 233,587
Total liabilities	<u>\$ 233,062</u>	<u>\$ 862</u>	<u>\$ (337)</u>	<u>\$ 233,587</u>

(Continued)

Town of Woodside, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 434,697	\$ 4,837	\$ (1,302)	\$ 438,232
Receivables:				
Interest	438	636	(438)	636
Total assets	<u>\$ 435,135</u>	<u>\$ 5,473</u>	<u>\$ (1,740)</u>	<u>\$ 438,868</u>
LIABILITIES				
Due to (from) others	\$ 435,135	\$ 116,514	\$ (112,781)	\$ 438,868
Total liabilities	<u>\$ 435,135</u>	<u>\$ 116,514</u>	<u>\$ (112,781)</u>	<u>\$ 438,868</u>

(Concluded)



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the Town of Woodside, California (Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

March 9, 2015

JJACPA, Inc.

JJACPA, Inc.

Dublin, CA