



QUARTERLY FINANCIAL REPORT

FIRST QUARTER 2016-2017

(July 1, 2016 – September 30, 2016)

This report provides an overview and summarized information on the Town Finances. For the Town of Colma, the General Fund represents the most significant portion of the annual revenue and expenditures. Therefore, the focus of the report will be on the performance of the General Fund, unless otherwise noted. The format of the report compares preliminary data from the Prior Year actual results to the Current Year Budget / Quarterly Actual. The prior year amounts are subject to final audit adjustments.

GENERAL FUND FINANCIAL POSITION

In Fiscal Year 2016-2017 the General Fund includes budgeted revenue of approximately \$16.6 million and budgeted expenditures of \$14.0 million. In addition the General Fund has net budgeted transfers of approximately \$0.9 million. A transfer represents resources in one fund that are transferred to another fund. The primary transfers in the current year budget are for Capital Project funding and Debt Service.

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
Revenue	\$17,731,195	\$1,354,112	7.6%	\$16,582,712	\$2,064,142	12.4%
Expenditures	(13,410,013)	(4,961,871)	37.0%	(13,982,550)	(4,594,651)	32.9%
Transfers In	0	0		0	0	
Transfers (Out)	(9,833,630)	0		(853,170)	0	
Net Change	(5,512,447)	(3,607,759)		1,746,992	(2,530,509)	
Beginning Balance	28,117,913	28,117,911		22,639,938	22,639,938	
Balance Year To Date	22,605,466	24,510,152		24,386,930	20,109,429	

MAJOR GENERAL FUND REVENUE SOURCES

Over 90 percent of the budgeted General Fund Revenues are concentrated in four revenue types. Revenues collected are not evenly distributed from month to month.

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
Sales Taxes	\$10,851,062	\$552,800	5.1%	\$10,550,000	\$1,155,983	11.0%
Cardroom Taxes	4,039,518	625,725	15.5%	3,790,000	714,964	18.9%
Property Taxes	562,378	746	0.1%	576,300	995	0.2%
Sewer Fees	836,480	0	0.0%	710,000	0	0.0%
Sub-Total Major Revenue	\$16,289,438	\$1,179,271	7.2%	\$15,626,300	\$1,871,941	12.0%
Total All Gen Fund Revenue	\$17,731,195	\$1,354,112		\$16,582,712	\$2,064,142	
% of Total Revenue (5 Revenues)	91.9%	87.1%		94.2%	90.7%	

As shown in the previous table only 12% of the expected General Fund Revenue was collected in the first quarter of the Fiscal Year. A narrative explanation is provided below for key deviations.

MAJOR REVENUE (Continued)

- Sales Tax revenue in the first quarter represents mostly advances received and the Board of Equalization will issue a clean-up payment in the next quarter.
- Sales Tax in the previous year was lower due to the State distribution late in the year of the sales tax / “triple-flip funds”. The wind-down of triple flip payments was mostly completed last year.
- Cardroom taxes collected in the first quarter are running ahead of last year. Staff will be monitoring actual collections as part of any mid-year budget adjustments.
- Sewer Fees are collected on the Property Tax bill. The majority of payments collected on the Property Tax bill are received in December and April.

GENERAL FUND EXPENDITURES

When compared to the prior year performance expenditures in the first quarter were lower in the current year.

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
General Government	\$3,194,542	\$1,689,368	52.9%	\$3,081,870	\$1,094,408	35.5%
Police	5,535,529	1,633,635	29.5%	6,215,960	1,996,654	32.1%
Engineering / Building / Planning	1,381,129	198,605	14.4%	1,407,000	137,959	9.8%
Public Works Maintenance	1,970,819	1,088,967	55.3%	1,735,530	997,561	57.5%
Recreation Services	864,463	257,546	29.8%	961,740	278,883	29.0%
Facility Maintenance	463,531	93,750	20.2%	580,450	89,185	15.4%
TOTAL	\$13,410,013	\$4,961,871	37.0%	\$13,982,550	\$4,594,651	32.9%

- General Government expenditures are lower in the current year, because in FY 2015-16 the retiree medical expense is reported entirely under the General Government category. With the establishment of an OPEB Trust the entire annual estimated contribution was paid into the Trust in July 2016. In the current year these costs are budgeted proportionately in each Department.
- Police expenses are more than the prior year primarily due to fewer vacancies, increases retirement costs, and the inclusion of Retiree Medical expenses in each Department.
- Engineering / Planning / and Building are contract services and there can be differences in timing of the payments.
- Public Works costs are lower due primarily to lower contract sewer service costs in the current year.

The following table also displays the expenses organized by expenditure type.

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
Salaries & Benefits	\$7,131,857	\$2,812,634	39.4%	\$8,128,220	\$2,657,054	32.7%
Operating Services & Supplies	2,272,106	333,588	14.7%	1,690,980	298,032	17.6%
Contractual / Professional Services	2,207,236	363,562	16.5%	2,372,350	288,922	12.2%
Infrastructure Maint Contract Svcs	281,416	42,264	15.0%	306,000	21,512	7.0%
Sewer Services	940,029	916,467	97.5%	890,000	814,542	91.5%
Insurance (Liability/Property/WC)	577,369	493,355	85.4%	595,000	514,589	86.5%
TOTAL	\$13,410,013	\$4,961,871	37.0%	\$13,982,550	\$4,594,651	32.9%
OTHER USES / (TRANSFERS)	\$9,833,630	\$0		\$853,170	\$0	
EXPENDITURES & TRANSFERS	\$23,243,643	\$4,961,871		\$14,835,720	\$4,594,651	

Overall the expenditures for the first quarter are expected to trend within the adopted budget. Information related to significant deviations are discussed below:

- As shown in the previous table salaries and benefits are the most significant portion of General Fund expenditures.
- Contract services include a variety of professional as well as service contracts associated with providing Town services.
- Sewer Service Charges are near the full budgeted amount after the first quarter. This is a typical pattern as the collection and treatment system payments to the providers are made in the first quarter of the Fiscal Year.
- Insurance costs are near the full budgeted amount after the first quarter. This is a typical pattern as most of these costs are insurance premiums. The premium payment is due in the first month of the Fiscal Year.

HIGH LEVEL SUMMARY – ALL FUNDS

The final page of this report includes a Table summarizing “All Funds” and their activity for the first quarter. format was prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. As mentioned earlier the General Fund is the most significant to the operations of the Town, however, it is also appropriate to consider the other sources of funding. As shown the balance held in Capital Project Funds is approximately \$12.6 million. Also at the end of Fiscal Year 2015/2016 the City Council authorized a Fleet Replacement Fund, which has a balance of nearly \$0.8 million.

ADDITIONAL DETAILS AND INFORMATION

This format was prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. Additional Financial Reports and Budgets are also available on the Town website www.colma.ca.gov. This report will be also be posted on the Town website.

**TOWN OF COLMA QUARTERLY REPORT OF ALL FUNDS
(PRELIMINARY BALANCE AND ACTIVITY - CASH BASIS)
QUARTER 1**

FUND TYPE / NAME	(Pre-Audit)	Fiscal Year To Date			PRELIMINARY ENDING BALANCE YTD
	BEGINNING FUND BALANCE 7/1/16	YTD REVENUE	TRANSFERS IN / (OUT)	YTD EXPENDITURES	
General					
11-General Fund	\$21,981,288	\$2,064,142		(\$4,594,651)	\$19,450,779
Sub-Total	21,981,288	2,064,142	0	(4,594,651)	19,450,779
Special Revenue					
21-State Gas Tax Fund	28,012	10,165		(1,589)	36,589
22- Measure A Transportation	58,438	9,195		0	67,633
29- Police Grants / (COPS)	127,619	38,876		(20,357)	146,138
Sub-Total	214,069	58,236	0	(21,946)	250,360
Capital Project Funds					
31- General CIP	8,772,941	0		(159,396)	8,613,545
33- Town Hall CIP Financed \$	4,457,192	6,406		(481,240)	3,982,359
Sub-Total	13,230,134	6,406	0	(640,636)	12,595,904
Debt Service Funds					
43- COP Debt Service	62	0	0	0	62
Sub-Total	62	0	0	0	62
Internal Service Funds					
61-Fleet Replacement	776,421	2,084	0	0	778,505
Sub-Total	776,421	2,084	0	0	778,505
Trust Funds*					
71-OPEB-Retiree Medical	1,094,504	299,463	0	(176,405)	1,217,562
72-Retirement (PARS)	18,914	404	0	(8)	19,311
Sub-Total	1,113,418	299,867	0	(176,412)	1,236,873
GRAND TOTAL	\$37,315,391	\$2,430,736	\$0	(\$5,433,645)	\$34,312,482

* These Trust Funds were established to report funding contributed to an irrevocable trust for retirement benefit purposes.
The funds are not available to the Town for General Operating and / or discretionary expenditures.