

**TOWN OF COLMA
COLMA, CALIFORNIA**

BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

INTRODUCTORY SECTION

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TOWN OF COLMA

1198 El Camino Real • Colma, California • 94014-3212
Tel 650-997-8300 • Fax 650-997-8308

November 1, 2014

City Council

Helen Fiscaro
Mayor

Raquel Gonzalez
Vice Mayor

Joanne F. del Rosario
Council Member

Joseph Silva
Council Member

Diana Colvin
Council Member

City Treasurer

Laura Walsh

City Officials

Sean Rabé
City Manager

Kirk Stratton
Acting Chief of Police

Roger Peters
City Attorney

Cyrus Kianpour
City Engineer

Brad Donohue
Public Works Director

Michael Laughlin, AICP
City Planner

Brian Dossey
Director of Recreation
Services

Lori Burns
Human Resources Manager

To the Members of the City Council, and Citizens of the Town of Colma:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the Town of Colma (the Town) for the year ended June 30, 2014. The purpose of the report is to provide the City Council, City Staff, citizens, bond holders, and other interested parties with useful information concerning the Town's operations and financial position. City management is responsible for the accuracy, completeness, and fairness of the data presented in this report.

To the best of our knowledge, the following report is accurate in all material respects. It has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officer Association of the United States and Canada (GFOA) and other rule-making bodies. We believe the report contains all disclosures necessary for the reader to understand the Town's financial affairs.

State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

STEWARDSHIP

The Town prepares financial reports to promote *accountability*. The Town's elected officials are accountable to the citizens; Town management is accountable to the elected officials. This report gives citizens and other interested parties one means of assessing whether the elected and appointed officials in the Town have faithfully carried out their role of being good stewards of the Town's resources.

In order to enhance the degree of confidence of intended users of the financial statements, The Town provides for an annual financial audit. The purpose of the audit is to provide reasonable assurance that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. R. J. Ricciardi, Inc, Certified Public Accountants, have issued an unmodified

(“clean”) opinion on the Town of Colma’s financial statements for the year ended June 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

REPORT FORMAT

There are three main sections in this report:

- Section I, the introductory section, contains the table of contents, this transmittal letter, and other general interest material.
- Section II, the financial section, contains the auditor’s opinion, Management’s Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements, and detailed combining and individual statements and schedules for the Town’s funds.
- Section III, the statistical section, includes a history of financial and non-financial data that give a context in which to understand the Town’s financial statements.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

INTERNAL CONTROLS

The Town’s management is responsible for establishing a system of internal controls to:

1. Safeguard Town assets from loss or unauthorized use or disposal.
2. Provide reliable financial records for preparing internal and external financial reports and for maintaining accountability over Town assets.
3. Ensure compliance with applicable Federal and State laws and regulations related to programs for which the Town receives assistance.

No system of internal controls can be perfect. Therefore, internal controls are meant to provide “reasonable assurance”. Reasonable assurance means:

1. The cost of a control should not exceed the benefits likely to be derived from that control.
2. The costs and benefits of internal controls are subject to estimates and judgments by management.

Management believes that the Town’s internal controls reasonably safeguard assets, assure that financial transactions are properly recorded and reported, and ensure compliance with applicable Federal and State laws and regulations.

As the Town’s governing board, the City Council is responsible to ensure that the Town’s administration fulfills its responsibilities in the preparation of the financial statements. Accordingly, the City Council reviews the scope of the Town’s audits and the accounting principles applied in the Town’s financial reporting.

To ensure independence, the Town's Auditor, R. J. Ricciardi, Inc, had full and free access to meet with the City Council to discuss the results of their assessment of the adequacy of internal accounting controls and the quality of the Town's financial reporting.

PROFILE OF THE GOVERNMENT

The Town of Colma, known worldwide as the "City Of Souls," is the smallest city in San Mateo County with over 1,400 residents and 1.5 million "souls." However, Colma is more than just 16 cemeteries. Colma's commercial buildings make a distinct architectural statement resulting from design standards that encourage Spanish-Mediterranean motifs. Colma boasts an old-world charm all its own, from its brick-paved residential streets and ornamental street lamps to its restored historical museum and railroad depot located at its 5,500 square foot Community Center. The state-of-the-art Police Station complements the architecture of the historic and charming Town Hall across the street.

Within its two square mile boundary, the Town enjoys a strong tax base with two shopping centers, one of Northern California's most complete collections of car dealerships and a cardroom. There are two Bay Area Rapid Transit (BART) Stations nearby.

The Town's five-member City Council sets government and planning policies. Colma has a modern infrastructure with a professional staff who are easily accessible to residents and local businesses. A monthly newsletter is distributed with timely information about the City Council Agenda, upcoming community events and special interest articles.

This small-town approach to modern, municipal government reflects a commitment to both a healthy business climate and a harmonious relationship with residents.

BUDGET PROCESS

The Town Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the Town of Colma's financial planning and control. The budget is prepared by fund, and by department (e.g., police).

The Town's fiscal year starts on July 1st and ends on June 30th. The Town uses the modified accrual basis of accounting for budgetary purposes, which is the same method used in preparing the financial statements.

During the year, the Finance Department works with Department Directors to address funding issues and monitor expenditures. Department Directors may transfer available resources within their department as they see fit. The City Manager may transfer funds between departments as long as the transfers for any department do not increase or decrease a department's budget by more than \$50,000 in the fiscal year. Council approval is required for transfers of more than \$50,000 in a fiscal year.

In January and February, City Council meets with the City Manager to review and update the Strategic Plan. Staff prepares a Mid-Year Budget Review and presents it to the Council and the public at the regular City Council Meeting.

Budget instructions are prepared and issued to departments. The instructions outline the general assumptions in the budget and provide direction to the directors in terms of financial goals to be met.

During March, the City Manager meets with Department Directors to review their proposals and make changes as needed. Staff presents the Proposed Budget to the City Council for review and discussion at their April and May meetings. The budget is available for public review several days prior to these meetings. Changes are made and the document is presented again to the Council for additions discussion during a public hearing held at the June meeting. At the conclusion of the public hearing, the Council takes action on the budget.

ECONOMIC OVERVIEW

The Town of Colma is the smallest municipality in San Mateo County with 1,470 residents. Sales and cardroom taxes are its primary funding sources. The Town consistently ranks fourth in per capita sales tax rankings in the State of California, largely due to the Serramonte Boulevard Auto Row and big box retail at its two shopping centers: 280 Metro and Serra Center. In spite of the economic challenges the Town faced during the recession, the Town maintained its ranking during that time period. Colma remained number four in 2013.

This reliance on sales taxes makes the Town vulnerable to changes in consumer spending. The national sub-prime mortgage situation referenced in the Town's budget transmittal memorandum each of the past five years has improved with the percentage of homeowners in the United States living in houses that are valued at less than their mortgage decreasing from 27% in March 2011 to 21.5% in March 2014. There are consistent signs that the economy is becoming more robust. In March of 2014, the unemployment rate was 9.4% in California or 1.5% lower than in March 2013. Unemployment in San Mateo County, which continues to be lower than the statewide average, has also dropped from 7.5% to 5.7% in the past year. While this is good news, it's tempered by the knowledge that unemployment statistics typically under state the number of unemployed people because they do not capture those who have become so discouraged they completely drop out of the job market. Consumer confidence jumped unexpectedly in April 2014 as the rebound in home values is creating a sense that the housing market is in recovery. The share of households projecting their incomes will rise over the next six months is the highest it's been since April 2011.

The positive changes in the national economy have brought some good news to Colma. Sales tax revenues and its related Triple-Flip Intergovernmental transfer have exceeded the pre-recession peak of \$8 million. This projected recovery mirrors the rebound of the national economy, and automobile sales in particular. The Town is uniquely challenged in its efforts to diversify its revenue base with 76% of the Town's two square miles developed as cemeteries or zoned for cemetery usage, and the remainder substantially developed.

GENERAL FUND BALANCE

The City Council's approved Reserve Policy complies with Governmental Accounting Standards Board (GASB) Statement 54 which established five categories of reserve. The City Council also has adopted criteria for allocating its General Fund reserves among these categories.

The Town's total Fund Balance in the General Fund is \$27,467,979. Fund Balance is comprised of three components in accordance with the Town's reserve policy highlighted above: a a Committed portion of \$20,100,000; an Assigned portion of \$950,000; and an Unassigned portion (available for spending at the government's discretion) of \$6,417,919. The Town's total fund balance amounts to 222% of total general fund expenditures.

MAJOR INITIATIVES DURING THE YEAR

Economic Development

Colma has been actively engaged in Economic Development for the past several years. In May of 2010, the Council adopted an Economic Development Strategy with several activities to be performed using existing resources. The Strategy was followed by the selection of a consultant to assist with the development of a long-range Economic Development Plan which was approved by the Council in December of 2013.

The Plan contains short-term and long-term action items. The Council approved 13 action items to be implemented using existing resources which were a combination of ongoing activities and work to be completed as part of the General Plan Update. In the short term, staff will continue to communicate with businesses through the ColmaWorks electronic newsletter and partner with the Colma/Daly City Chamber of Commerce to support the business community. Long-term items include assessing the feasibility of a town center, hotel, and retail, dining and entertainment district. The Town has initiated the site selection process for these concepts through the General Plan Update process.

ADA Transition Plan

The Town is subject to several laws that require "reasonable accommodations" be made for disabled and handicapped persons, including the Americans with Disabilities Act ("ADA") and the Fair Housing Act ("FHA"). In November 2010, the City Council adopted the Town's first ADA Transition plan. A transition plan (1) identifies physical obstacles in the public entity's facilities that limit the accessibility of its programs or activities to individuals with disabilities; (2) describes in detail the methods that will be used to make the facilities accessible; (3) specifies the schedule for taking the steps necessary to achieve compliance with this section, and if the time period of the transition plan is longer than one year, identifies steps that will be taken during each year of the transition period; and (4) indicates the official responsible for implementation of the plan. Specific tasks in the ADA Transition Plan may take several years to finish because of the nature of the work and funding constraints. Since FY 2010-11, the Town has spent approximately \$110,000 in various ADA improvements including upgrading curb ramps at the Creekside Villas senior housing complex, correcting the curb ramp slope at the Public Works & Planning Department's office building, as well as installing an accessible drinking fountain at Sterling Park Recreation Center and

several curb ramps along Junipero Serra Boulevard. ADA work planned for FY 2014-15 is funded at \$44,000 in the CIP and includes installing curb ramps in the Sterling Park neighborhood.

General Plan Update

The law states that each city shall "periodically review, and revise, as necessary, the general plan." The California Supreme Court stated that, "...while there is no statutory requirement that the General Plan be updated at any given interval, there is an implied duty to keep the General Plan current." A city's failure to keep the General Plan or any of its elements current may subject it to a lawsuit over the validity of the document. This project will likely take several years to complete. The budget for this project has been moved from the Public Works & Planning Department's operating budget to the CIP, with an estimated cost of \$150,000 for the first year's activities. Fiscal year 2014-15 includes \$35,000 in funding for the General Plan update.

FUTURE CHALLENGES

GASB 45

The Governmental Accounting Standards Board (GASB) Statement 45, which outlines the new requirements for governments to disclose the cost of providing other post-employment benefits (OPEB) in their annual audit documents, presents a unique challenge for the Town. Other postemployment benefits include health insurance coverage and other items paid by the Town on behalf of the retiring employee, excluding pensions. While GASB 45 does not require the Town to set money aside (or pre-fund these costs), sound fiscal policy requires that the City Council develop a plan to pay for these obligations as well as all other obligations of the Town. Currently the Town accounts for these expenses on a pay-as-you-go basis, so the immediate costs are identified in the budget but the long-range financial obligation is not. The long-term cost of medical and dental benefits provided to retired employees, elected officials and their respective spouses and dependents has been determined to range from \$8.6 million to \$14.7 million depending on how the Council chooses to fund those costs. The FY 2014-15 Adopted Budget assumes the pay-as-you-go practice continues for another fiscal year. The long-range cost of the Town's cumulative five-year OPEB liability is approximately \$8.2 million. Under the pay-as-you-go method, an \$8.2 million liability will be recorded on the Town's balance sheet at the end of five years.

The cost of medical benefits continues to be a challenge for the Town. As expected, there was a significant increase in the estimated long-range cost between the first actuarial valuation prepared in 2008 and the updated report completed in 2011. The long range cost increased from \$5 million to \$8.2 million. Therefore, staff is closely assessing the feasibility of placing money in an irrevocable trust and intends to bring a recommendation to the Council during FY 2014-15.

Pension Costs

In March 2013, the CalPERS Board decided to reduce its rate of return on investments from 7.75% to 7.5%. On April 17, 2014, the CalPERS Board approved new actuarial policies that are designed to "return the system to fully-funded status within 30 years." CalPERS is between 65 and 80 percent funded.

These new policies include:

- A change in the rate-smoothing methodology with a 30-year fixed amortization period for gains and losses and
- A five-year ramp-up at the start and a five-year ramp-down at the end of the 30 year time period.

As a result of this decision, public agencies can expect their pension rates to increase by 50% during the five-year ramp up period which starts in FY 2015-16. Staff is analyzing the impact of this increase on the Town's financial position and will be sharing the results with the Council later this fiscal year.

AWARDS

The Town received the Government Finance Officers Association's Distinguished Budget Presentation Award and the Excellence Award in Operating Budget from the California Society of Municipal Finance Officers for its FY 2013-14 document.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance and administration staff. I wish to express my appreciation to all members of the Town who assisted and contributed to the preparation of this report. Credit also must be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Colma's finances.

Respectfully submitted,



Sean Rabé
City Manager

Town of Colma
List of Elected and Appointed Officials
June 30, 2014

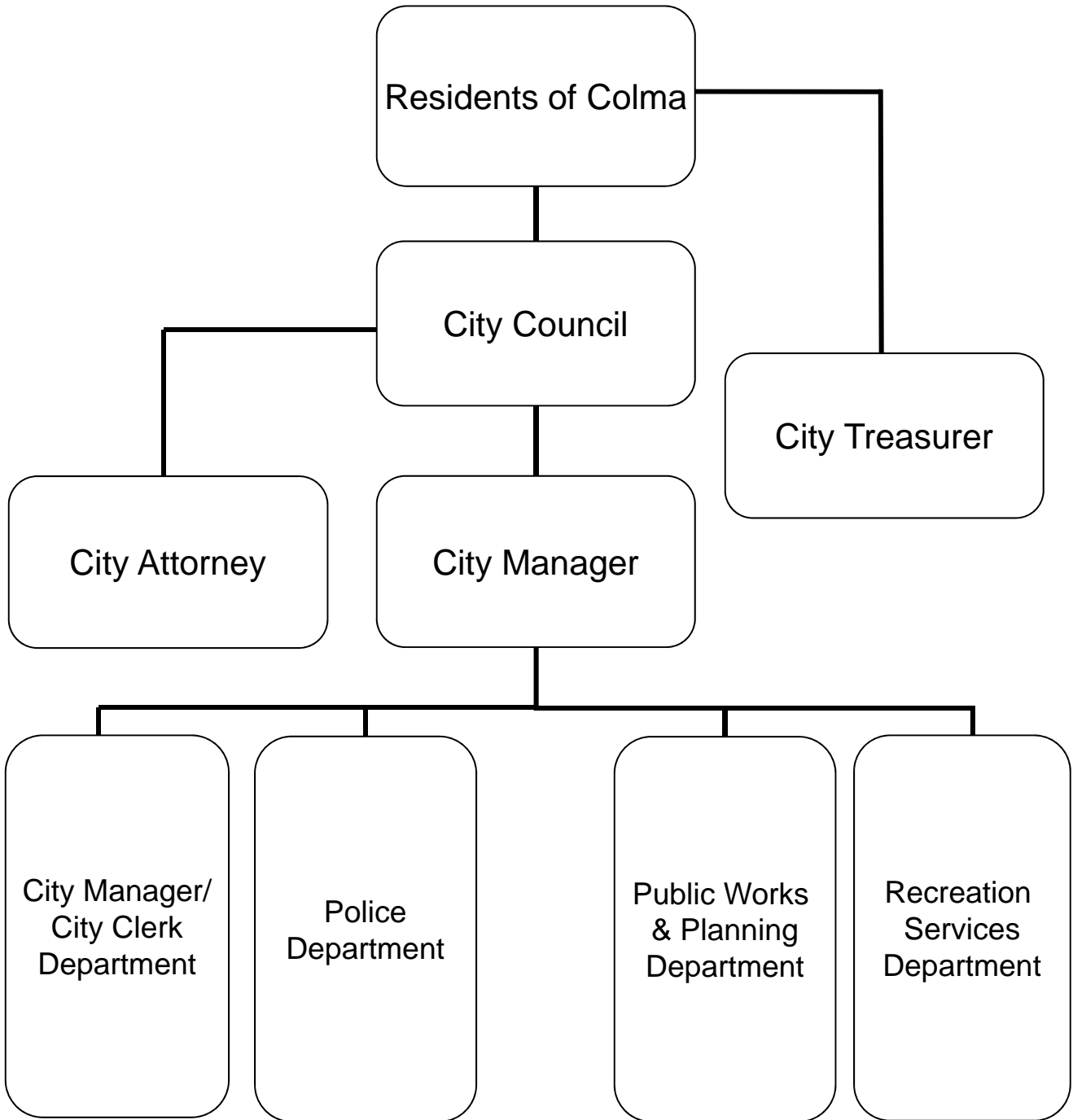
Elected Officials

Mayor Vice	Helen Fisicaro
Mayor	Raquel "Rae" Gonzalez
Council Member	Joanne F. del Rosario
Council Member	Joseph Silva
Council Member	Diana Colvin

Appointed Officials

City Manager	Sean Rabé
City Attorney	Roger Peters
Building Official	Michael Cully
Chief of Police	Kirk Stratton
City Planner	Michael Laughlin
Human Resources	Lori Burns
Recreation Services Director	Brian Dossey
Public Work Director	Brad Donohue

Town of Colma



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Colma'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. 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, we consider internal control relevant to Town of Colma'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 Town of Colma'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, each major fund and the aggregate remaining fund information of the Town of Colma, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, which follows this report letter and the Budgetary Comparison Schedule for the General Fund (page 32) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of the 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 of the City’s basic financial statements. The Supplementary Information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, listed as Combining and Individual Fund Schedules, 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, 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 information is fairly stated, in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
October 29, 2014

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

The following discussion provides readers of Town of Colma's basic financial statements a narrative overview and analysis of the financial activities of Town of Colma (the Town) for the fiscal year ended June 30, 2014. Please read this document in conjunction with the accompanying basic financial statements.

FISCAL YEAR 2014 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2014 include the following:

Entity-wide:

- The Town's total net position was \$65,359,452 as of June 30, 2014.
- Entity-wide Governmental revenues include program revenues of \$1,483,708 and general revenues of \$14,648,346 for a total of \$16,132,054.
- Entity-wide Governmental expenses were \$14,950,493.

Fund Level:

- Governmental Fund balances decreased \$9,536,277 in fiscal year 2014.
- Governmental Fund revenues increased \$621,667 in fiscal year 2014.
- Governmental Fund expenditures increased \$12,130,463 in fiscal year 2014.

General Fund:

- General Fund revenues were \$612,768 higher than the prior year.
- General Fund expenditures represented a decrease of \$37,820 from the prior year.
- General Fund's fund balance of \$27,467,979 as of June 30, 2014, was lower than fiscal year 2013's ending fund balance of \$35,921,665.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is divided into two parts:

- 1) Management's Discussion and Analysis (MD&A);
- 2) The Basic Financial Statements, which include the Entity-wide and the Fund Financial Statements, along with the Notes to these financial statements.

The Basic Financial Statements

The Basic Financial Statements comprise the Entity-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.

The Entity-wide Financial Statements provide a longer-term view 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 of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

The Statement of Activities provides information about all of the Town's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the Town's operations in more detail than the Entity-wide statements and focus primarily on the short-term activities of the Town's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the Town and are presented individually, while the activities of Non-major Funds are presented in summary. Major Funds are explained below.

The Entity-wide Financial Statements

Entity-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Town as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental Activities – All of the Town's basic services are considered to be governmental activities. These services are supported by general Town revenues such as taxes, and by specific program revenues such as user fees and charges.

Fund Financial Statements

The 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 Governmental Accounting Standards Board (GASB) Statement No. 34 and replaces the concept of combining like funds and presenting them in 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.

In the Town's case, the General Fund is the major fund for the fiscal year ended June 30, 2014.

Fund Financial Statements include governmental funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented only for the General Fund, as required by GASB Statement No. 34.

FINANCIAL ACTIVITIES OF THE TOWN AS A WHOLE

This analysis focuses on the net position and changes in net position of the Town as a whole. Tables 1, 2 and 3 focus on the Town's Governmental Statement of Net Position and Statement of Activities.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014

Governmental Activities

Table 1
Governmental Net Position at June 30, 2014
 Governmental Activities

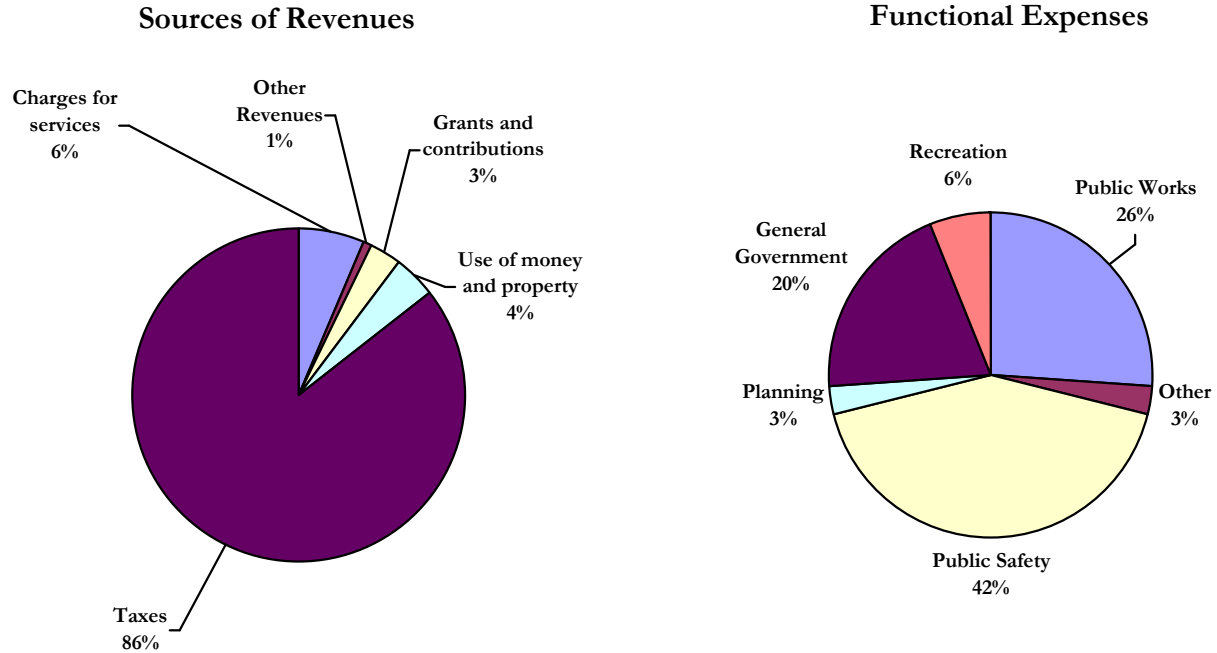
	2014	2013
Cash and investments	\$ 28,295,109	\$ 34,429,833
Other assets	-	3,216,774
Capital assets, net of accumulated depreciation	44,599,385	44,998,790
Total assets	72,894,494	82,645,397
Current liabilities	747,881	1,051,495
Long-term debt outstanding	6,787,161	17,416,011
Total liabilities	7,535,042	18,467,506
Net position:		
Invested in capital assets, net of debt	44,599,385	31,939,040
Restricted	-	958,050
Unrestricted	20,760,067	31,280,801
Total net position	\$ 65,359,452	\$ 64,177,891

The Town's governmental net position amounted to \$65,359,452 as of June 30, 2014, an increase of \$1,181,561 over 2013. This increase is the Change in Net Position reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

The Town's net position as of June 30, 2014 comprised the following:

- Cash and investments of \$26,253,220 in the Town Treasury. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 4A to the financial statements.
- Other assets of \$2,041,889 as explained in Note 4B to the financial statements.
- Capital assets of \$44,599,385, net of depreciation charges, which includes all the Town's capital assets used in governmental activities as discussed in Note 4C.
- Current liabilities, including accounts payable, claims and other amounts due currently, totaled \$747,881.
- Long-term liabilities payable of \$7,535,042, as explained in Note 4E to the financial statements.
- Net position invested in capital assets, net of related debt, of \$44,599,385, representing the Town's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance those investments.
- Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The Town had \$20,760,067 of unrestricted net position as of June 30, 2014.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014



As the Sources of Revenues Chart shows, \$13,910,263, or 86%, of the Town's fiscal year 2014 governmental activities revenue came from taxes, while \$479,793, or 3%, came from grants and contributions, \$615,754, or 4%, came from use of money and property, \$1,003,915, or 6%, came from charges for services, and the remainder came from a variety of sources, as shown above.

The Functional Expenses Chart includes only current year expenses; it does not include capital outlays, which were added to the Town's capital assets. As the Chart shows, general government is \$2,967,299, or 20%, of total government expenses, planning is \$417,626, or 3%, public works is \$3,915,614, or 26%, public safety is \$6,257,453, or 42%, recreation is \$908,687, or 6%, and other governmental programs and functions are the remaining 3%.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014

The Statement of Activities presents program revenues and expenses, and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position
 Governmental Activities

	2014	2013
<u>Expenses</u>		
General government	\$ 2,967,299	\$ 3,346,125
Planning	417,626	573,399
Public works	3,915,614	3,047,313
Public safety	6,257,453	6,913,654
Recreation	908,687	1,058,521
Interest	483,814	575,585
Total expenses	14,950,493	15,514,597
<u>Revenues</u>		
Program revenues:		
Charges for services	1,003,915	992,486
Capital grants and contributions	479,793	2,314,303
Total program revenues	1,483,708	3,306,789
General revenues:		
Taxes	13,910,263	11,659,050
Use of money and property	615,754	503,140
Other	122,329	41,408
Total general revenues	14,648,346	12,203,598
Total revenues	16,132,054	15,510,387
Change in net position	\$ 1,181,561	\$ (4,210)

As the Sources of Revenue Chart and Table 2 above show, \$1,483,708, or 10%, of the Town's fiscal year 2014 governmental revenue, came from program revenues and \$14,648,346, or 90%, came from general revenues such as taxes, interest and miscellaneous receipts.

Program revenues were composed of charges for services of \$1,003,915, which include permit revenues, fees and charges used to fund expenses incurred in providing services; and capital grants and contributions of \$479,793 that consist mainly of revenue from other agencies.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014

Table 3 presents the net (expenses) or revenues of each of the Town's governmental activities, including interest on long-term debt. Net expense is defined as total program cost less the revenues generated by those specific activities.

Table 3
Governmental Activities

	Net (Expenses) Revenues From Services 2014	Net (Expenses) Revenues From Services 2013
General government	\$ (2,967,299)	\$ (3,346,125)
Public safety	(6,190,842)	(6,846,118)
Planning	(3,435,821)	(152,336)
Public works	(908,687)	(311,948)
Recreation	(317,513)	(975,696)
Interest on long-term debt	353,377	(575,585)
Total	\$ (13,466,785)	\$ (12,207,808)

Analyses of Major Funds

Governmental Funds

General Fund

General Fund revenues increased \$612,768 this fiscal year mainly due to an increase in the revenue generated from sales tax, small increases in property taxes and charges for services.

General Fund expenditures were \$12,364,961, a decrease of \$37,802 from the prior year. Expenditures were \$768,929 lower than budgeted as departments continue to reduce their spending due to expectations of lower than budgeted intergovernmental revenues.

As of June 30, 2014, the General Fund's fund balance totaled \$27,467,979. The unassigned portion of fund balance represents available liquid resources.

Other Governmental Funds

These funds are not presented separately in the basic financial statements.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014

CAPITAL ASSETS

GASB Statement No. 34 requires the Town to record all its capital assets including infrastructure, which was not recorded in prior years. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

In fiscal year 2014, the Town reported the cost of all its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal year 2014 the cost of infrastructure and other capital assets recorded on the Town's financial statements is shown in Table 4 below:

Table 4
Capital Assets at Year-end

	Balance at June 30, 2014
<u>Governmental Activities</u>	
Land	\$ 7,595,471
Construction in progress	1,885,821
Infrastructure-street systems	22,769,773
Buildings	19,439,224
Improvements other than buildings	3,478,524
Machinery and equipment	1,635,942
Less: accumulated depreciation	(12,677,767)
Governmental activity capital assets, net	\$ 44,599,383

Detail on capital assets and current year additions can be found in Note 4C.

The Town depreciates all its capital assets over their estimated useful lives, as required by GASB Statement No. 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 4C to the financial statements.

DEBT ADMINISTRATION

The Town issued no new bonded debt in fiscal year 2014. The Town made all scheduled repayments of existing debt. Each of the Town's debt issues is discussed in detail in Note 4E to the financial statements.

As of June 30, 2014, the Town's debt issues comprised:

Table 5
Outstanding Debt

	June 30, 2014
<u>Governmental Activity Debt:</u>	
Net Other Post-Employment Benefit Obligation	\$ 5,851,579
Compensated absences	935,582
	\$ 6,787,161

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Colma is the smallest municipality in San Mateo County with 1,470 residents. Sales and cardroom taxes are its primary funding sources. While this reliance on sales taxes makes Town of Colma vulnerable to changes in consumer spending, there are consistent signs that the economy is becoming more robust. Sales tax revenues show steady growth since FY 2010, the low point of the recession. The FY 2014-15 Adopted Budget assumes sales tax revenues are \$8.85 million – or 29 percent higher than FY 2013-14 actual revenues of \$6,843,923. This is highest sales tax revenue the Town has seen. This projected recovery mirrors the rebound of the national economy, and automobile sales in particular.

Cardroom taxes are estimated to drop from FY 2013-14 Actual of \$4,140,070. This drop is partially attributable to the economic rebound, (as sales tax increases, cardroom taxes decrease) and to increased competition in the surrounding areas.

Town of Colma is uniquely challenged in its efforts to diversify its revenue base with 76 percent of the Town of Colma's two square miles developed as cemeteries or zoned for cemetery usage, and the remainder substantially developed.

The Operating Budget for FY 2014-15 provides \$13.6 million in funding to operating departments – an increase of about \$1.2 million from FY 2013-14 Actual of \$12.4 million. The increase is partially due to the following:

- An increase in staffing in the Finance Department (one new full-time Accounting Technician)
- Funding for the Town's 90th Anniversary Celebration
- Medical benefit cost increases
- Public Employee Retirement System (PERS) increases

These increases were partially offset by decreases on other accounts throughout the budget and decreases in debt service payments.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of Town of Colma's finances. Questions about this report should be directed to Town of Colma, at 1198 El Camino Real, Colma, CA 94014.

Town of Colma
STATEMENT OF NET POSITION
 June 30, 2014

ASSETS

Current assets:

Cash and investments	\$	26,253,220
Receivables:		
Taxes		1,087,391
Accounts		931,229
Accrued interest		23,269
Total current assets		28,295,109

Noncurrent assets:

Capital assets:

Non-depreciable		9,481,293
Depreciable, net of accumulated depreciation		35,118,092
Total noncurrent assets		44,599,385

Total assets		72,894,494
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LIABILITIES

Current liabilities:

Accounts payable and accrued expenses		573,165
Deposits		96,703
Compensated absences		78,013
Total current liabilities		747,881

Noncurrent liabilities due in more than one year:

Compensated absences		935,582
Net other post-employment benefit obligation		5,851,579
Total noncurrent liabilities		6,787,161

Total liabilities		7,535,042
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NET POSITION

Invested in capital assets, net of related debt		44,599,385
Unrestricted		20,760,067
Total net position	\$	65,359,452

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

Town of Colma
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Town Governmental Activities</u>
<u>Town Government</u>					
Governmental Activities:					
General government	\$ 2,967,299	\$ 20,175	\$ -	\$ -	\$ (2,947,124)
Public safety	6,257,453	102,641	-	-	(6,154,812)
Public works	3,915,614	709,810	-	479,793	(2,726,011)
Recreation	908,687	71,176	-	-	(837,511)
Planning	417,626	100,113	-	-	(317,513)
Interest on long-term debt	483,814	-	-	-	(483,814)
	14,950,493	1,003,915	-	479,793	(13,466,785)
Total Governmental Activities	14,950,493	1,003,915	-	479,793	(13,466,785)
Total Town Government	\$ 14,950,493	\$ 1,003,915	\$ -	\$ 479,793	(13,466,785)
General revenues:					
Taxes:					
Property taxes					472,157
Sales taxes					6,843,923
Cardroom taxes					4,140,070
Other taxes					2,454,113
Use of money and property					615,754
Other revenues					122,329
					14,648,346
Total general revenues and special items					14,648,346
Change in net position					1,181,561
Net position beginning of period					64,177,891
Net position ending of period					\$ 65,359,452

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

Town of Colma
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 26,061,235	\$ 191,985	\$ 26,253,220
Taxes receivable	1,063,300	24,091	1,087,391
Accounts receivable	931,229	-	931,229
Accrued interest receivable	23,269	-	23,269
Total Assets	\$ 28,079,033	\$ 216,076	\$ 28,295,109
<u>LIABILITIES</u>			
Accounts payable	\$ 366,175	\$ 136,827	\$ 503,002
Accrued expenditures	70,163	-	70,163
Compensated absences	78,013	-	78,013
Deposits	96,703	-	96,703
Total Liabilities	611,054	136,827	747,881
<u>FUND BALANCES</u>			
Committed	20,100,000		20,100,000
Unassigned	6,417,979	-	6,417,979
Assigned	950,000	79,249	1,029,249
Total Fund Balances	27,467,979	79,249	27,547,228
Total Liabilities and Fund Balances	\$ 28,079,033	\$ 216,076	\$ 28,295,109
Total Governmental Fund Balances			\$ 27,547,228

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not reported in the funds.	44,599,385
Some liabilities, including bonds, notes, leases and long-term portion of compensated absences are not due and payable in the current period and are therefore not reported in the funds.	(6,787,161)
Net position of Governmental Activities	\$ 65,359,452

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

Town of Colma
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	<u>Major Fund</u>	Other	Total
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<u>REVENUES</u>			
Property taxes	\$ 472,157	\$ -	\$ 472,157
Sales taxes	6,843,923	-	6,843,923
Cardroom taxes	4,140,070	-	4,140,070
Other taxes	2,454,113	-	2,454,113
Licenses and permits	100,113	-	100,113
Fines and forfeits	66,611	-	66,611
Intergovernmental	274,724	205,069	479,793
Use of money and property	615,754	-	615,754
Other revenues	122,329	-	122,329
Charges for services	837,191	-	837,191
Total revenues	<u>15,926,985</u>	<u>205,069</u>	<u>16,132,054</u>
<u>EXPENDITURES</u>			
Current:			
General government	2,967,299	-	2,967,299
Public safety	5,283,652	114,109	5,397,761
Public works	2,787,697	512,052	3,299,749
Recreation	908,687	-	908,687
Planning	417,626	-	417,626
Debt service:			
Principal	-	12,100,000	12,100,000
Interest	-	577,209	577,209
Total expenditures	<u>12,364,961</u>	<u>13,303,370</u>	<u>25,668,331</u>
Excess (deficiency) of revenues over expenditures	<u>3,562,024</u>	<u>(13,098,301)</u>	<u>(9,536,277)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	115,486	12,131,195	12,246,681
Transfers out	<u>(12,131,196)</u>	<u>(115,485)</u>	<u>(12,246,681)</u>
Total other financing sources (uses)	<u>(12,015,710)</u>	<u>12,015,710</u>	<u>-</u>
Net change in fund balances	(8,453,686)	(1,082,591)	(9,536,277)
Fund balances, beginning of period	<u>35,921,665</u>	<u>1,161,840</u>	<u>37,083,505</u>
Fund balances, end of period	<u>\$ 27,467,979</u>	<u>\$ 79,249</u>	<u>\$ 27,547,228</u>

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

Town of Colma
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 \$ (9,536,277)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$845,107) exceeds capital outlays \$445,700 in the current period. (399,407)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which the repayments of principal \$12,100,000 exceed amortization of premium (\$232,606) and exceed other expenses reported in the statement of activities. 12,332,606

Interest on long-term debt is recorded as an outflow in the governmental funds when paid, but is accrued in the statement of activities. 93,395

Some expenses in the statement of activities for concurrent liabilities such as long-term compensated absences, assessments receivable, deferred revenue and claims do not require the use of or provide current financial resources and are therefore not reported as expenditures or revenues in the governmental funds.

Compensated Absences (216,458)
Net other post-employment benefit obligation (1,092,298)

Net difference 10,717,838

Change in Net Position of Governmental Activities \$ 1,181,561

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

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Colma (the Town) is a municipal corporation governed by an elected five-member City Council. The accompanying basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The Town has no component units.

The Town provides customary municipal services including general governmental activities, police protection, streets, maintenance, parks and recreation activities, planning and zoning, and building and public works. The Town contracts for sanitary sewer services with local providers in Daly City and South San Francisco, for street lighting services with San Mateo County, and for water service from CalWater.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Town with the effect of interfund activity removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. The Town does not operate any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the Town's governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, & Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable" and "available". Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, & Financial Statement Presentation (concluded)

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, card room 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 period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund and the only major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes elimination of interfund payables and receivables and of interfund transfers.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities and Net Position or Equity

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.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, the State Treasurer's Investment Pool, and other permitted investments.

Investments for the Town are reported at fair value. Investments in guaranteed investment contracts are reported at cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

The Town has determined that an allowance for uncollectibles is not necessary as all receivables have been deemed collectible.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the county, and be shared by applicable jurisdictions. The County of San Mateo (the County) collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 11. The Town receives property taxes pursuant to an arrangement with the County known as the “Teeter Plan”. Under the plan, the County assumes responsibility for the collection of the delinquent taxes and pays the full allocation to the Town. The Town recognizes property tax revenues in the fiscal year in which they are levied for the Town.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure-type assets such as roads, bridges, sidewalks, and street lights, are reported in the accompanying basic financial statements. They are reported in the applicable governmental-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost when available, or at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure – street system	40-50
Vehicles	8
Equipment	5-25
Improvements	20

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is a liability for a portion of unpaid accumulated sick leave since the Town does have a policy to pay certain amounts when certain employees separate from service with the Town. All vacation and sick leave is accrued when incurred in the government-wide financial statements. The liability for vacation and sick leave is recorded in the fund financial statements only when immediately due and payable, such as amounts arising from employee retirements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government-type activities statement of net assets.

Net Position

Government-wide net position consists of the following:

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount includes all net position that does not meet the definition of “invested in capital assets, net of related debt” or “restricted net position”.

Invested in capital assets, net of related debt – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Governmental fund balance consists of the following:

Fund Equity

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental *funds* now reflect the component classifications described below.

In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

D. Assets, Liabilities and Net Position or Equity (concluded)

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level decision-making authority. The Town Council serves as the Town's highest level decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes' action.

Assigned fund balance includes amounts intended to be used by the Town for specific purposes, subject to change, as established either directly by the Town Council or by management officials to whom the assignment authority has been delegated by the Town Council.

Unassigned fund balance is the residual classification that includes the spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the Town's policy specifies that restricted revenues will be applied first. When expenditures are incurred for the purposes for which committed, assigned, or unassigned fund balances are available, the Town's policy is to apply committed fund balances first, then apply assigned fund balances, and finally unassigned fund balances.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "capital assets are not financial resources and are not reported in the funds." The details of this difference are as follows:

Capital assets	\$ 57,277,150
Less: accumulated depreciation	<u>(12,677,767)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 44,599,383</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details of this difference are as follows:

Long-Term Debt Obligations:

Compensated absences	\$ 935,582
Net other post-employment benefit obligation	<u>5,851,579</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (6,787,161)</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS
 (concluded)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances with the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference and other significant components of the difference are as follows:

Capital outlay	\$	445,700
Depreciation expense		(845,107)
Repayment of long-term debt principal		12,100,000
Premium and issuance cost amortization difference		232,606
Interest on long-term debt		93,395
Compensated absences		(216,458)
Net other post-employment benefit obligation (OPEB)		<u>(1,092,298)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	<u><u>10,717,838</u></u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end. Before the end of each fiscal year, all departments of the Town submit requests to the City Manager so that a budget may be prepared. Before June 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Expenditures for capital projects or the creation of additional positions requires the specific authorization of the Town Council. Encumbrance accounting is not employed.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments consisted of the following at June 30:

Demand deposits	\$	8,213,077
Local Agency Investment Fund (LAIF)		5,723,628
San Mateo County Treasurer’s Investment Pool		<u>12,316,515</u>
Total	\$	<u><u>26,253,220</u></u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

The Town's total cash and investments consisted of:

Unrestricted	\$ <u>26,253,220</u>
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Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the Town's name and places the Town ahead of general creditors of the institution. The carrying amount of the Town's cash deposits was \$8,213,077 at June 30, 2014.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that in the event of the failure of 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 party. All investments in LAIF, the County pool, money market funds, and the investment agreement are not evidenced by specific securities and therefore, are not subject to custodial credit risk.

Credit Risk

State Law limits investments in various securities to certain levels of risk ratings issued by nationally recognized statistical rating organizations. It is the Town's policy to comply with those requirements. The LAIF and County pool are unrated.

The Town does not enter into reverse repurchase agreements. Trustees under bond indentures may also invest in guaranteed investment contracts.

The Town's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2014 the fair value was \$17,099 greater than the Town's cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (concluded)

The management of the State of California Pooled Money Investment Account has indicated to the Town that as of June 30, 2014 the carrying amount of the pool was \$64,870,214,443 and the estimated market value of the pool (including accrued interest) was \$64,896,335,761. The Town's proportionate share of that value is \$5,723,628. Included in LAIF's investment portfolios are certain derivative securities or similar products in the form of structured notes, totaling \$0 and asset-backed securities totaling \$1,205,901,000. LAIF's (and the Town's) exposure to risk (credit, market or legal) is not currently available. Financial statements for LAIF can be obtained from the California State Treasurer's Office: State Treasurer's Office, 915 Capital Mall, Suite 110, Sacramento, CA 95814.

The Town maintains specific cash deposits with the County and voluntarily participates in the external investment pool of the County. The County is restricted by state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors that is more restrictive than state code as to terms of maturity and type of investment. Also, the County has an investment committee that performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool.

At June 30, 2014, the Town's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Town's position in the pool. At June 30, 2014, the fair value was \$616 lower than the Town's cost.

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate were as follows:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:			
Interest	\$ 23,269	\$ -	\$ 23,269
Taxes	1,063,300	24,091	1,087,391
Accounts	<u>931,229</u>	<u>-</u>	<u>931,229</u>
Net total receivables	<u>\$ 2,017,798</u>	<u>\$ 24,091</u>	<u>\$ 2,041,889</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 7,595,471	\$ -	\$ -	\$ 7,595,471
Construction in progress	<u>2,009,803</u>	<u>280,152</u>	<u>(404,133)</u>	<u>1,885,822</u>
Total capital assets, not being depreciated	<u>9,605,274</u>	<u>280,152</u>	<u>(404,133)</u>	<u>9,481,293</u>
Capital assets, being depreciated				
Buildings	19,439,224	-	-	19,439,224
Improvements other than buildings	3,478,524	-	-	3,478,524
Machinery and equipment	1,538,656	97,286	-	1,635,942
Infrastructure - street systems	<u>22,769,773</u>	<u>472,396</u>	-	<u>23,242,169</u>
Total capital assets, being depreciated	<u>47,226,177</u>	<u>569,682</u>	-	<u>47,795,859</u>
Less accumulated depreciation for:				
Buildings	(3,345,546)	(391,770)	-	(3,737,316)
Improvements other than buildings	(1,429,938)	(123,601)	-	(1,553,539)
Machinery and equipment	(1,047,498)	(62,708)	-	(1,110,204)
Infrastructure - street systems	<u>(6,009,678)</u>	<u>(267,028)</u>	-	<u>(6,276,708)</u>
Total accumulated depreciation	<u>(11,832,660)</u>	<u>\$ (845,107)</u>	<u>\$ (404,133)</u>	<u>(12,677,767)</u>
Total capital assets, being depreciated, net	<u>35,393,516</u>			<u>35,393,516</u>
Governmental activities capital assets net	<u>\$44,998,791</u>			<u>\$44,599,385</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
Public works	<u>\$ 845,107</u>
Total depreciation expense - governmental activities	<u>\$ 845,107</u>

D. Interfund Receivables, Payables and Transfers

Interfund transfers at June 30, 2014 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Gas Tax Special Revenue Fund	\$ -	\$ 60,803
Measure A Special Revenue Fund	-	54,682
General Fund	115,486	12,131,196
Town Capital Project Fund	411,251	-
Local Law Enforcement	785	-
Capital Lease Debt Service Fund	<u>11,719,159</u>	-
Totals	<u>\$ 12,246,681</u>	<u>\$ 12,246,681</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4 - DETAILED NOTES ON ALL FUNDS (concluded)

D. Interfund Receivables, Payables and Transfers (concluded)

The transfers out of the General Fund were made for the purpose of meeting its obligation for the annual debt service requirement and capital projects. The transfers out of the Gas Tax and Measure A Special Revenue Funds were made to reimburse the Town's General Fund for that portion of the costs related to the use of Measure A and Gas Tax funds.

E. Long-Term Debt

Changes in long-term liabilities

Long-term debt activity for the 2014 fiscal year was as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Capital lease obligation	\$ 12,100,000	\$ -	\$ 12,100,000	\$ -	\$ -
Net OPEB	4,759,281	1,092,298	-	5,851,579	-
Compensated absences	719,123	216,458	-	935,581	-
Totals	<u>\$ 17,578,404</u>	<u>\$ 1,308,756</u>	<u>\$ 12,100,000</u>	<u>\$ 6,787,160</u>	<u>\$ -</u>

NOTE 5 - OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town obtains insurance coverage. The Town is a member of the ABAG Plan Corporation (the Plan), which provides a pooled risk sharing insurance program. The Plan provides the Town with insurance coverage of \$5 million per loss for liability claims. The Town has a \$50,000 self-insurance retention limit similar to a deductible. The Plan has excess insurance coverage for \$5 million beyond the \$5 million Plan coverage. The Plan also provides the Town with \$1 million pooled employee dishonesty coverage. Property coverage is also provided with the Town having a \$10,000 deductible and the Plan being responsible for all losses up to \$100,000. The Plan obtains excess property insurance above its \$100,000 self-insured retention with a per occurrence coverage for all members combined up to \$500 million. The Town purchases separate earthquake and flood insurance coverage of \$5 million with a general deductible of \$100,000. Workers' compensation insurance is provided to the Town by EIA (Entity Insurance Authority) at statutory coverage limits. The Town had no significant changes in insurance coverage during the year. At June 30, 2014, the Town did not have any claims payable below its deductible for general liability claims, and there were no claims paid during the fiscal year.

B. Contingencies and Commitments

Litigation

The Town is involved in litigation incurred in the normal course of conducting Town business. Town management believes, based upon consultation with its counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Town.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System

Plan Description

The Town contributes to the California Public Employees' Retirement System (PERS), an agent 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. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members and the Town are established by and may be amended by PERS. The Town's annual pension cost for the most recent year and related information for each plan is as follows:

Annual Pension Cost and Related Information

	Regular Employees	Safety Employees
Contribution rates:		
City & Plan Members	18.4%	34.59%
Annual pension cost	\$ 238,042	\$ 693,084
Contributions made	\$ 238,042	\$ 693,084
Actuarial valuation date	June 30, 2012	June 30, 2012
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percentage pay, closed	Level percentage pay, closed
Remaining amortizing period	19 years	19 years
Asset valuation method	15-yr smoothed market	15-yr smoothed market
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.30%-14.20%	3.30%-14.20%
Inflation	2.75%	2.75%

Three-year Trend of Information

Plan	Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
Regular Employees	6/30/12	\$ 217,156	100%	\$ -
	6/30/13	\$ 265,384	100%	\$ -
	6/30/14	\$ 238,041	100%	\$ -
Safety employees	6/30/12	\$ 559,110	100%	\$ -
	6/30/13	\$ 641,424	100%	\$ -
	6/30/14	\$ 693,084	100%	\$ -

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 5 - OTHER INFORMATION (concluded)

C. Public Employees Retirement System (concluded)

Required Supplementary Information - Miscellaneous Plan

	(A) Entry Age Normal Accrued Liability	(B) Actuarial Value of Assets	(C) Unfunded Liability (Excess Assets) [(A)-(B)]	(D) Funded Status [(B)/(A)]	(E) Annual Covered Payroll	(F) UAAL as a % of Payroll {[(A)- (B)]/(E)}	
Valuation Date	6/30/12	\$2,254,622,362	\$1,837,489,422	\$417,132,940	81.5%	\$339,228,272	123.0%
	6/30/11	\$2,135,350,204	\$1,724,200,585	\$411,149,619	80.7%	\$354,190,017	116.1%
	6/30/10	\$1,972,910,641	\$1,603,482,152	\$369,428,489	81.3%	\$352,637,380	104.8%

Required Supplementary Information - Safety Plan

	(A) Entry Age Normal Accrued Liability	(B) Actuarial Value of Assets	(C) Unfunded Liability (Excess Assets) [(A)-(B)]	(D) Funded Status [(B)/(A)]	(E) Annual Covered Payroll	(F) UAAL as a % of Payroll {[(A)- (B)]/(E)}	
Valuation Date	6/30/12	\$11,724,021,480	\$9,854,787,710	\$1,869,233,770	84.1%	\$947,734,809	197.2%
	6/30/11	\$10,951,745,049	\$9,135,654,246	\$1,816,090,803	83.41%	\$958,104,927	189.6%
	6/30/10	\$10,175,475,166	\$8,470,235,152	\$1,705,240,014	83.3%	\$955,980,815	178.4%

D. Restricted Net Position and Fund Balances

Portions of the unassigned fund balance in the fund financial statements may be assigned to indicate tentative plans for financial resources being utilized in a future period, such as for general contingencies or capital projects. Such plans are subject to change, have not been legally authorized, and may not result in expenditures.

Committed fund balances were:

Purpose	General Fund
Debt service costs	\$ 2,000,000
Retiree health costs	1,700,000
Budget Stabilization	<u>16,400,000</u>
Total	<u>\$ 20,100,000</u>

Assigned fund balances were:

Purpose	General Fund
Litigation	\$ 100,000
Insurance	100,000
Disaster response	750,000
Law enforcement	-
Measure A	-
Capital Projects	-
Total	<u>\$ 950,000</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 6 - DEFERRED COMPENSATION PLAN

The Town employees may defer a portion of their compensation under a Town sponsored Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of the compensation until it is distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan. Regular and probationary employees are eligible to receive a \$100 monthly matching contribution to the Plan. All but one employee participate. Two contract employees also receive the match. The Town's contributions for five management employees for the fiscal year ended June 30, 2014 were \$130,350.

The laws governing the Plan assets require Plan assets to be held by a Trust for the exclusive benefits of Plan participants and their beneficiaries. Since the assets held under this Plan are not the Town's property, are not managed by the Town and are not subject to claims by general creditors of the Town, they have been excluded from these financial statements.

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

Plan Description. The Town defined benefit post-employment healthcare plan provides medical benefits to eligible Town employees and elected officials who retire from the Town at age 50 or older and are eligible for a PERS pension.

The Town provides retiree healthcare benefits to employees retiring directly from the Town under PERS. Medical coverage is provided through PEMHCA. Medical and dental benefits are continued to a surviving spouse and eligible dependents, if any, upon the retiree's death.

Funding Policy. There is no statutory requirement for the Town to prefund its OPEB obligation. The Town currently pays for retiree healthcare benefits on a pay as you go basis.

There are no employee contributions. For the fiscal year ending June 30, 2014, the Town paid approximately \$362,795 for retiree healthcare and dental plan benefits. As of July 1, 2011 the plan membership consisted of 39 active participants and 18 retirees and beneficiaries currently receiving benefits.

The Town is required to contribute or accrue the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (continued)

Annual OPEB Cost and Net OPEB Obligation.

The following table shows the components of the Town's Annual OPEB Cost for the fiscal year ended June 30, 2014 and June 30, 2013, the amount actually contributed to the plan (including implicit subsidy, if any), and changes in the Town's NET OPEB Obligation/(Asset):

Item	6/30/14	6/30/13
Annual Required Contributions	\$ 1,480,377	\$ 1,376,543
Interest on Net OPEB Obligation/(Asset)	190,371	149,172
Adjustment to Annual Required Contributions	<u>(215,655)</u>	<u>(163,058)</u>
Annual OPEB cost (expense)	1,455,093	1,362,657
Retiree Premium cost	<u>(362,795)</u>	<u>(332,686)</u>
Increase in net OPEB Obligation	1,092,298	1,029,971
Net OPEB Obligation – beginning of year	<u>4,759,281</u>	<u>3,729,310</u>
Net OPEB Obligation – end of year	<u>\$ 5,851,579</u>	<u>\$ 4,759,281</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows, based on the Town's actuarial valuation as of July 1, 2008 and July 1, 2011:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	\$ 1,210,202	\$ 235,945	19.5%	\$ 2,753,205
6/30/12	\$ 1,274,489	\$ 298,384	23.3%	\$ 3,729,310
6/30/13	\$ 1,362,657	\$ 332,686	24.4%	\$ 4,759,282
6/30/14	\$ 1,455,093	\$ 362,795	24.9%	\$ 5,851,579

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2014 and June 30, 2013, was as follows:

	6/30/14	6/30/13
Actuarial accrued liability (AAL)	\$ 16,638,509	\$ 15,659,548
Actuarial value of plan assets (6/30/11)	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 16,638,509</u>	<u>\$ 15,659,548</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (active plan members)	\$ 4,374,210	\$ 4,365,743
UAAL as a percentage of covered payroll	380%	359%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and the 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.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (concluded)

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 members) 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 members 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.

In the July 1, 2011, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns from assets used to pay benefits; and a 3.25% annual increase in projected payroll. Assumptions include a healthcare cost trend rate of 7.3% in 2012, reduced by 0.3% per year to an ultimate rate of 5.5% in 2018. The UAAL is being amortized over a fixed 30 year period as a level percentage of projected payroll beginning with the year ended June 30, 2009.

Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability	(C) Unfunded Liability (Excess Assets) [(B)-(A)]	(D) Funded Status [(A)/(B)]	(E) Annual Covered Payroll	(F) UAAL as a % of Payroll {[(B)- (A)]/(E)}
7/01/08	\$ -0-	\$ 9,680,563	\$ 9,680,563	0%	\$4,198,207	231%
7/01/11	\$ -0-	\$14,716,283	\$14,716,283	0%	\$4,365,743	337%

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2014
(UNAUDITED)

	<u>Budgeted Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>REVENUES</u>			
Property taxes and other taxes	\$ 13,115,434	\$ 13,910,263	\$ 794,829
Licenses and permits	84,255	100,113	15,858
Fines and forfeits	115,869	66,611	(49,258)
Intergovernmental	144,716	274,724	130,008
Use of money and property	1,540,192	615,754	(924,438)
Other revenues	135,516	122,329	(13,187)
Charges for services	501,796	837,191	335,395
Total revenues	<u>15,637,778</u>	<u>15,926,985</u>	<u>289,207</u>
<u>EXPENDITURES</u>			
Current:			
General government	3,087,270	2,967,299	119,971
Public safety	5,362,500	5,283,652	78,848
Public works	3,410,700	2,787,697	623,003
Planning	440,000	417,626	22,374
Recreation	833,420	908,687	(75,267)
Total expenditures	<u>13,133,890</u>	<u>12,364,961</u>	<u>768,929</u>
Excess (deficiency) of revenues over expenditures	<u>2,503,888</u>	<u>3,562,024</u>	<u>1,058,136</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	68,100	115,486	47,386
Transfers out	<u>(2,789,370)</u>	<u>(12,131,196)</u>	<u>(9,341,826)</u>
Total other financing sources (uses)	<u>(2,721,270)</u>	<u>(12,015,710)</u>	<u>(9,294,440)</u>
Net change in fund balance	<u>\$ (217,382)</u>	(8,453,686)	<u>\$ (8,236,304)</u>
Fund balance, beginning of period		<u>35,921,665</u>	
Fund balance, end of period		<u>\$ 27,467,979</u>	

Town of Colma
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014

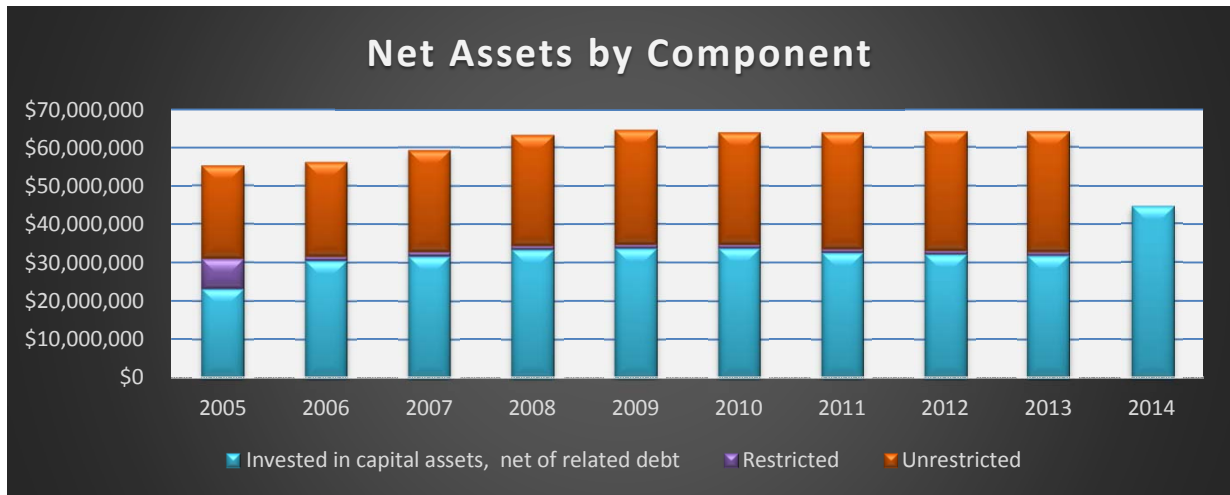
	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Measure A	Local law Enforcement Grants	Town Capital Projects Fund	Capital Lease	
<u>ASSETS</u>					
Cash and investments	\$ -	\$ 56,253	\$ 135,732	\$ -	\$ 191,985
Receivables from other governments	7,695	16,396	-	-	24,091
 Total Assets	 \$ 7,695	 \$ 72,649	 \$ 135,732	 \$ -	 \$ 216,076
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ 1,095	\$ 135,732	\$ -	\$ 136,827
 Total Liabilities	 -	 1,095	 135,732	 -	 136,827
 Fund balances:					
Assigned	7,695	71,554	-	-	79,249
 Total Fund Balances	 7,695	 71,554	 -	 -	 79,249
 Total Liabilities and Fund Balances	 \$ 7,695	 \$ 72,649	 \$ 135,732	 \$ -	 \$ 216,076

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects	Debt Service Fund	Total Nonmajor
	Gas tax (Fund 21)	Measure A (Fund 22)	Local Law Enforcement Grant Fund	Town Capital Projects Fund	Capital Lease	Governmental Funds
Revenues:						
Intergovernmental	\$ 60,803	\$ 53,298	\$ 90,968	\$ -	\$ -	\$ 205,069
Total revenues	<u>60,803</u>	<u>53,298</u>	<u>90,968</u>	<u>-</u>	<u>-</u>	<u>205,069</u>
Expenditures:						
Current:						
Public safety	-	-	114,109	-	-	114,109
Public works	-	-	-	512,052	-	512,052
Debt interest:						
Principal	-	-	-	-	12,100,000	12,100,000
Interest	-	-	-	-	577,209	577,209
Total expenditures	<u>-</u>	<u>-</u>	<u>114,109</u>	<u>512,052</u>	<u>12,677,209</u>	<u>13,303,370</u>
Excess (deficiency) of revenues over expenditures	<u>60,803</u>	<u>53,298</u>	<u>(23,141)</u>	<u>(512,052)</u>	<u>(12,677,209)</u>	<u>(13,098,301)</u>
Other financing sources (uses):						
Transfers in	-	-	785	411,251	11,719,159	12,131,195
Transfers out	<u>(60,803)</u>	<u>(54,682)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,485)</u>
Total other financing sources (uses)	<u>(60,803)</u>	<u>(54,682)</u>	<u>785</u>	<u>411,251</u>	<u>11,719,159</u>	<u>12,015,710</u>
Net change in fund balances	-	(1,384)	(22,356)	(100,801)	(958,050)	(1,082,591)
Fund balances, July 1	-	9,079	93,910	100,801	958,050	1,161,840
Fund balances, June 30	<u>\$ -</u>	<u>\$ 7,695</u>	<u>\$ 71,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,249</u>

STATISTICAL SECTION

TOWN OF COLMA
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)



	2005	2006	2007	2008	2009
<i>Governmental activities</i>					
Invested in capital assets, net of related debt	\$23,308,375	\$30,655,469	\$31,843,145	\$33,566,689	\$33,839,601
Restricted	7,790,804	1,087,316	1,123,395	984,613	959,750
Unrestricted	24,142,472	24,501,161	26,428,834	28,818,698	29,731,736
Total governmental activities net position	\$55,241,651	\$56,243,946	\$59,395,374	\$63,370,000	\$64,531,087

2010	2011	2012	2013	2014
\$33,872,406	\$32,716,909	\$32,290,889	\$31,939,040	\$44,599,385
959,750	959,750	959,750	958,050	0
29,091,738	30,259,243	30,931,462	31,280,801	20,760,067
<u>\$63,923,894</u>	<u>\$63,935,902</u>	<u>\$64,182,101</u>	<u>\$64,177,891</u>	<u>\$65,359,452</u>

TOWN OF COLMA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
Expenses					
Governmental Activities:					
General Government	\$2,531,449	\$3,487,842	\$2,564,505	\$2,674,755	\$2,874,961
Public Safety:	4,629,469	1,976,181	4,412,765	5,130,869	5,962,790
Public Works	2,265,008	6,640,312	3,627,096	3,132,289	2,978,182
Recreation & Parks	774,819	904,452	957,452	1,051,869	1,096,387
Planning	390,670	296,787	436,141	575,085	549,198
Interest on long-term debt	695,754	629,788	635,882	627,581	667,582
Total Governmental Activities Expenses	<u>11,287,169</u>	<u>13,935,362</u>	<u>12,633,841</u>	<u>13,192,448</u>	<u>14,129,100</u>
Total Primary Government Expenses	<u>\$11,287,169</u>	<u>\$13,935,362</u>	<u>\$12,633,841</u>	<u>\$13,192,448</u>	<u>\$14,129,100</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$20,960	\$45,490	\$0	\$0	\$0
Public Safety:	206,156	126,643	115,869	80,240	84,039
Public Works	1,320,580	235,599	212,433	267,508	383,707
Recreation & Parks	22,548	90,981	167,265	167,053	43,763
Planning	13,444	220,432	212,433	267,507	383,707
Operating Grants and Contributions	100,301	0	0	0	0
Capital Grants and Contributions	\$334,132	\$2,236,085	\$2,588,504	\$2,729,032	\$2,155,277
Total Government Activities Program Revenues	<u>\$2,018,121</u>	<u>\$2,955,230</u>	<u>\$3,296,504</u>	<u>\$3,511,340</u>	<u>\$3,050,493</u>

2010	2011	2012	2013	2014
\$2,735,280	\$2,825,518	\$3,132,552	\$3,346,125	\$2,967,299
5,887,593	5,988,451	5,944,039	6,913,654	6,257,453
3,468,651	3,118,437	2,990,162	3,047,313	3,915,614
1,040,969	1,066,492	1,061,289	1,058,521	908,687
533,042	584,957	464,616	573,399	417,626
608,114	598,294	587,357	575,585	483,814
<u>14,273,649</u>	<u>14,182,149</u>	<u>14,180,015</u>	<u>15,514,597</u>	<u>14,950,493</u>
<u>\$14,273,649</u>	<u>\$14,182,149</u>	<u>\$14,180,015</u>	<u>\$15,514,597</u>	<u>\$14,950,493</u>

\$0	\$0	\$0	\$0	\$20,175
70,604	98,673	83,732	67,536	102,641
348,140	362,472	385,942	421,062	709,810
50,014	51,440	61,940	82,825	71,176
348,139	362,471	385,942	421,063	100,113
0	0	0	0	0
<u>\$1,793,072</u>	<u>\$2,252,336</u>	<u>\$2,037,958</u>	<u>\$2,314,303</u>	<u>\$479,793</u>
<u>\$2,609,969</u>	<u>\$3,127,392</u>	<u>\$2,955,514</u>	<u>\$3,306,789</u>	<u>\$1,483,708</u>

TOWN OF COLMA
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Total Primary Government Program Revenues	<u>\$2,018,121</u>	<u>\$2,955,230</u>	<u>\$3,296,504</u>	<u>\$3,511,340</u>	<u>\$3,050,493</u>
Net (Expense)/Revenue					
Governmental Activities	<u>(\$9,269,048)</u>	<u>(\$10,980,132)</u>	<u>(\$9,337,337)</u>	<u>(\$9,681,108)</u>	<u>(\$11,078,607)</u>
Total Primary Government Net Expense	<u>(\$9,269,048)</u>	<u>(\$10,980,132)</u>	<u>(\$9,337,337)</u>	<u>(\$9,681,108)</u>	<u>(\$11,078,607)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property taxes	\$94,244	\$834,364	\$1,323,855	388,565	\$385,709
Sales taxes	\$6,257,454	\$6,312,598	\$6,026,969	5,669,898	5,337,807
Cardroom taxes	\$3,971,560	\$3,302,664	\$3,448,351	3,923,552	5,484,544
Motor vehicle in-lieu, unrestricted	\$88,811	\$50,626	\$53,656	53,775	52,262
Other taxes	\$1,666,683	\$1,153,579	\$1,500,419	1,414,317	278,912
Use of Money/Property and interest earnings	966,573	328,596	135,515	2,205,627	700,460
Other revenues	33,618	0	0	0	0
Extraordinary items:					
Special item - forgiveness of assessments	(275,000)	0	0	0	0
Total Government Activities	<u>12,803,943</u>	<u>11,982,427</u>	<u>12,488,765</u>	<u>13,655,734</u>	<u>12,239,694</u>
Total Primary Government	<u>\$12,803,943</u>	<u>\$11,982,427</u>	<u>\$12,488,765</u>	<u>\$13,655,734</u>	<u>\$12,239,694</u>
Change in Net Assets					
Governmental Activities	<u>\$3,534,895</u>	<u>\$1,002,295</u>	<u>\$3,151,428</u>	<u>\$3,974,626</u>	<u>\$1,161,087</u>
Total Primary Government	<u>\$3,534,895</u>	<u>\$1,002,295</u>	<u>\$3,151,428</u>	<u>\$3,974,626</u>	<u>\$1,161,087</u>

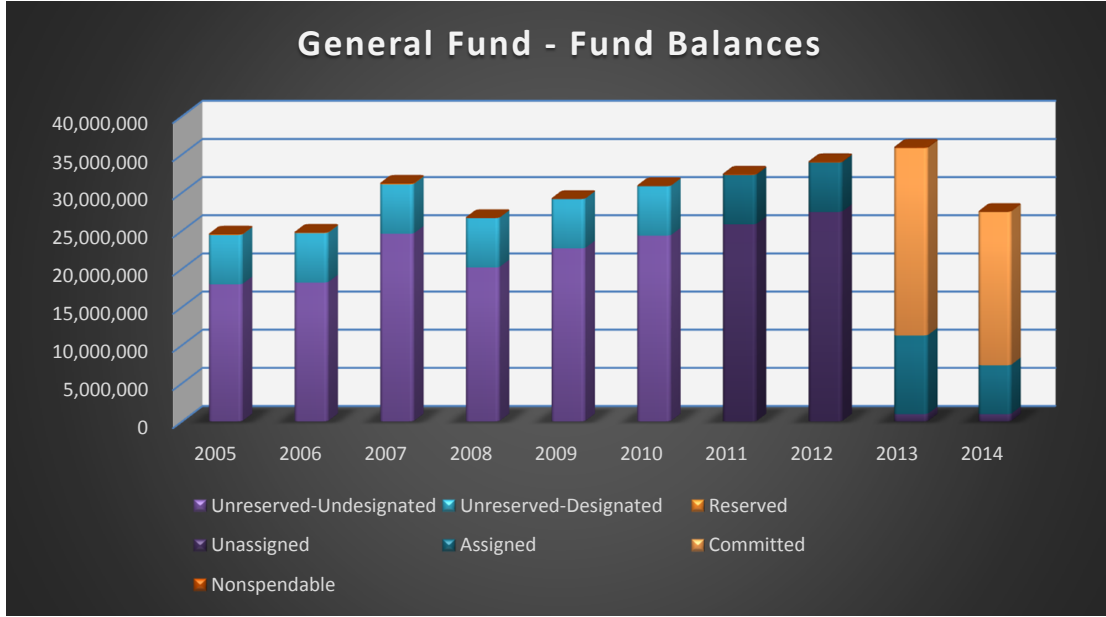
<u>\$2,609,969</u>	<u>\$3,127,392</u>	<u>\$2,955,514</u>	<u>\$3,306,789</u>	<u>\$1,483,708</u>
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<u>(\$11,663,680)</u>	<u>(\$11,054,757)</u>	<u>(\$11,224,501)</u>	<u>(\$12,207,808)</u>	<u>(\$13,466,785)</u>
<u>(\$11,663,680)</u>	<u>(\$11,054,757)</u>	<u>(\$11,224,501)</u>	<u>(\$12,207,808)</u>	<u>(\$13,466,785)</u>

\$366,266	\$334,320	\$354,574	\$617,618	\$472,157
4,901,120	5,045,150	5,517,652	6,232,713	6,843,923
4,938,532	5,091,032	4,957,234	4,703,462	4,140,070
50,024	0	0	0	0
513,254	56,455	74,736	105,257	2,454,113
287,291	476,595	496,197	503,140	615,754
0	63,213	70,307	41,408	122,329
0	0	0	0	0
<u>11,056,487</u>	<u>11,066,765</u>	<u>11,470,700</u>	<u>12,203,598</u>	<u>14,648,346</u>
<u>\$11,056,487</u>	<u>\$11,066,765</u>	<u>\$11,470,700</u>	<u>\$12,203,598</u>	<u>\$14,648,346</u>

<u>(\$607,193)</u>	<u>\$12,008</u>	<u>\$246,199</u>	<u>(\$4,210)</u>	<u>\$1,181,561</u>
<u>(\$607,193)</u>	<u>\$12,008</u>	<u>\$246,199</u>	<u>(\$4,210)</u>	<u>\$1,181,561</u>

TOWN OF COLMA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	2005	2006	2007	2008	2009
General Fund					
Reserved	\$56,288	\$55,087	\$89,148	\$6,975	\$5,804
Unreserved-Designated	6,464,640	6,464,640	6,464,640	6,464,640	6,464,640
Unreserved-Undesignated	17,979,579	18,215,494	24,605,176	20,190,578	22,683,168
Nonspendable	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total General Fund	\$24,500,507	\$24,735,221	\$31,158,964	\$26,662,193	\$29,153,612
All Other Governmental Funds					
Reserved	\$7,692,053	1,087,316	\$959,750	\$1,123,395	\$984,613
Unreserved-Designated	0	0	0	0	0
Unreserved-Undesignated	0	\$315	0	0	(\$180,260)
Unreserved, reported in:					
Special revenue funds	98,751	110,072	109,887	124,776	118,490
Restricted	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total all other governmental funds	\$7,790,804	\$1,197,703	\$1,069,637	\$1,248,171	\$922,843

- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (b) In Fiscal 2011, the Town implemented Governmental Accounting Standard Board number 54.

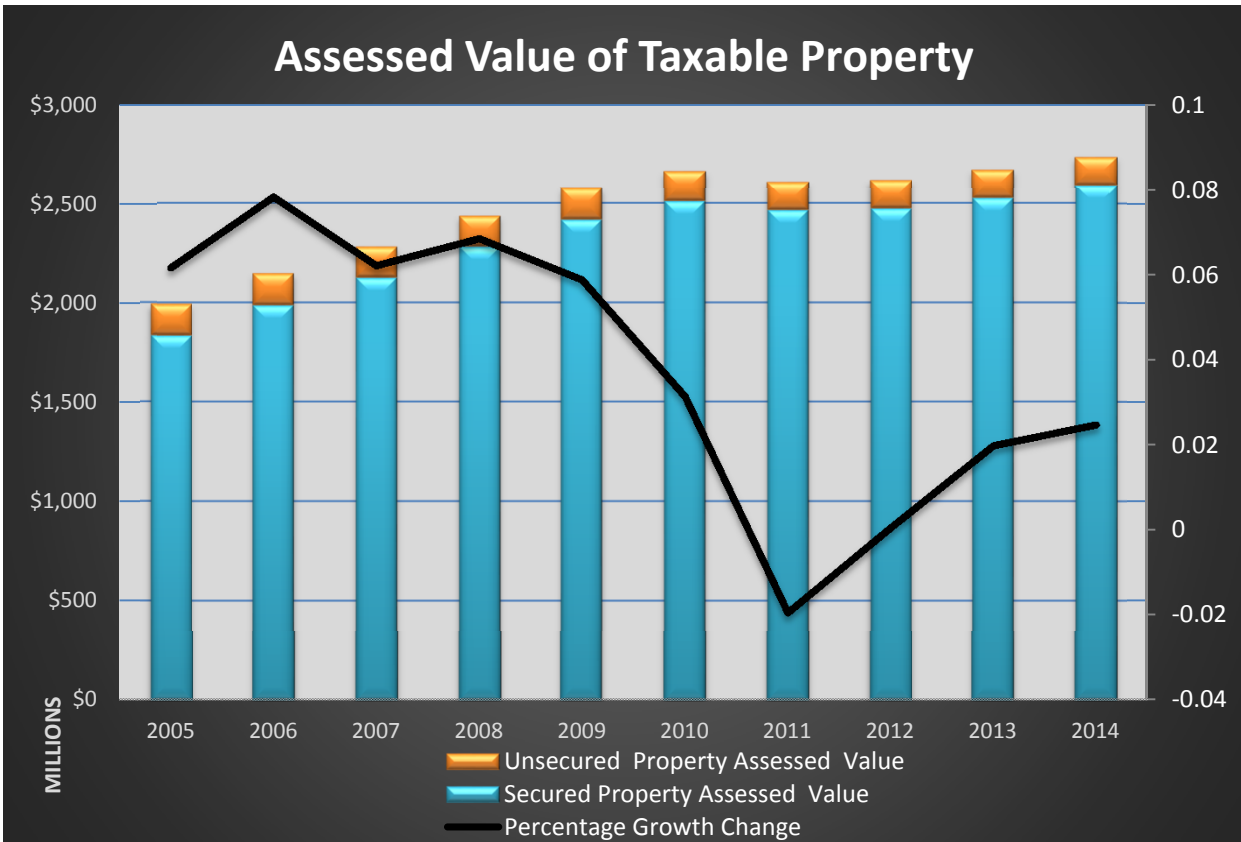
2010	2011	2012	2013	2014
\$9,102	\$0	\$0	\$0	\$0
6,464,640	0	0	0	0
24,362,588	0	0	0	0
0	\$88,822	\$103,788	\$98,956	0
0	0	0	24,552,790	20,100,000
0	6,464,640	6,464,640	10,319,919	6,417,979
0	25,848,027	27,462,519	950,000	950,000
<u>\$30,836,330</u>	<u>\$32,401,489</u>	<u>\$34,030,947</u>	<u>\$35,921,665</u>	<u>\$27,467,979</u>
\$959,750	0	0	0	0
0	0	0	0	0
0	0	0	0	0
105,593	0	0	0	0
0	\$959,750	\$959,750	\$958,050	0
0	79,716	120,291	203,792	79,249
0	0	0	0	0
<u>\$1,065,343</u>	<u>\$1,039,466</u>	<u>\$1,080,041</u>	<u>\$1,161,842</u>	<u>\$79,249</u>

TOWN OF COLMA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009
Revenues					
Property taxes	\$94,244	\$834,364	\$1,323,855	\$388,565	\$385,709
Sales taxes	6,257,454	6,312,598	6,026,969	5,669,898	5,337,807
Cardroom taxes	3,971,560	3,302,664	3,448,351	3,923,552	5,484,544
Other taxes	1,588,433	50,626	53,656	53,775	52,262
Licenses and permits	291,479	137,595	90,335	200,908	238,163
Fines and forfeits	157,552	126,643	115,869	80,240	84,039
Intergovernmental	176,820	2,236,085	2,588,504	2,729,032	2,155,277
Use of money and property	966,573	1,153,579	1,500,419	1,414,317	278,912
Other revenues	369,481	328,596	135,516	2,205,627	700,460
Charges for services	1,223,469	454,907	501,796	501,157	573,014
Total Revenues	15,097,065	14,937,657	15,785,270	17,167,071	15,290,187
Expenditures					
Current:					
General Government	2,516,313	3,418,627	2,917,750	2,908,289	2,680,083
Public Safety	4,596,241	4,706,431	4,774,913	4,951,501	4,906,617
Public Works	2,086,941	9,956,856	3,989,244	4,915,179	3,667,122
Recreation	390,670	296,787	321,757	872,501	899,458
Planning	660,799	790,767	843,068	395,717	352,269
Capital Outlay	7,791,573	0	0	0	0
Debt service:	0	0	0	0	0
Principal repayment	1,085,000	1,460,000	330,000	335,000	345,000
Interest and fiscal charges	737,831	666,576	631,097	622,796	614,421
Costs of Issuance	0	0	0	0	0
Total Expenditures	19,865,368	21,296,044	13,807,829	15,000,983	13,464,970
Excess (deficiency) of revenues over (under) expenditures	(4,768,303)	(6,358,387)	1,977,441	2,166,088	1,825,217
Other Financing Sources (Uses)					
Issuance of long-term debt					
Transfers in	3,806,796	3,116,951	2,467,892	2,767,920	2,076,222
Transfers (out)	(3,806,796)	(3,116,951)	(2,467,892)	(2,767,920)	(2,076,222)
Total other financing sources (uses)	0	0	0	0	0
Net Change in fund balances	(\$4,768,303)	(\$6,358,387)	\$1,977,441	\$2,166,088	\$1,825,217
Debt service as a percentage of noncapital expenditures	9.6%	10.5%	2.6%	2.5%	2.4%

2010	2011	2012	2013	2014
\$366,266	\$334,320	\$354,574	\$617,618	\$472,157
4,901,120	5,045,150	5,517,652	6,232,713	6,843,923
4,938,532	5,091,032	4,957,234	4,703,462	4,140,070
50,024	56,455	74,736	105,257	2,454,113
189,550	108,763	83,862	114,546	100,113
70,604	98,673	83,732	67,536	66,611
1,793,072	2,252,336	2,037,958	2,314,303	479,793
513,254	476,595	496,197	503,140	615,754
287,291	63,213	70,307	41,408	122,329
556,743	667,620	749,962	810,404	837,191
<u>13,666,456</u>	<u>14,194,157</u>	<u>14,426,214</u>	<u>15,510,387</u>	<u>16,132,054</u>
2,509,572	2,620,539	2,936,363	2,921,076	2,967,299
4,807,033	4,929,990	4,822,180	5,445,546	5,397,761
3,857,314	3,179,758	2,866,880	2,936,622	3,299,749
859,300	888,871	883,961	880,931	908,687
351,375	407,336	287,288	395,809	417,626
0	0	0	0	0
0	0	0	0	0
350,000	360,000	375,000	385,000	12,100,000
604,934	595,309	584,509	572,884	577,209
0	0	0	0	0
<u>13,339,528</u>	<u>12,981,803</u>	<u>12,756,181</u>	<u>13,537,868</u>	<u>25,668,331</u>
<u>326,928</u>	<u>1,212,354</u>	<u>1,670,033</u>	<u>1,972,519</u>	<u>(9,536,277)</u>
1,515,520	1,274,755	1,140,692	1,230,450	12,246,681
(1,515,520)	(1,274,755)	(1,140,692)	(1,230,450)	(12,246,681)
0	0	0	0	0
<u>\$326,928</u>	<u>\$1,212,354</u>	<u>\$1,670,033</u>	<u>\$1,972,519</u>	<u>(\$9,536,277)</u>
2.5%	2.5%	2.6%	2.5%	80.9%

TOWN OF COLMA
Assessed Value of Taxable Property
Last Ten Fiscal Years



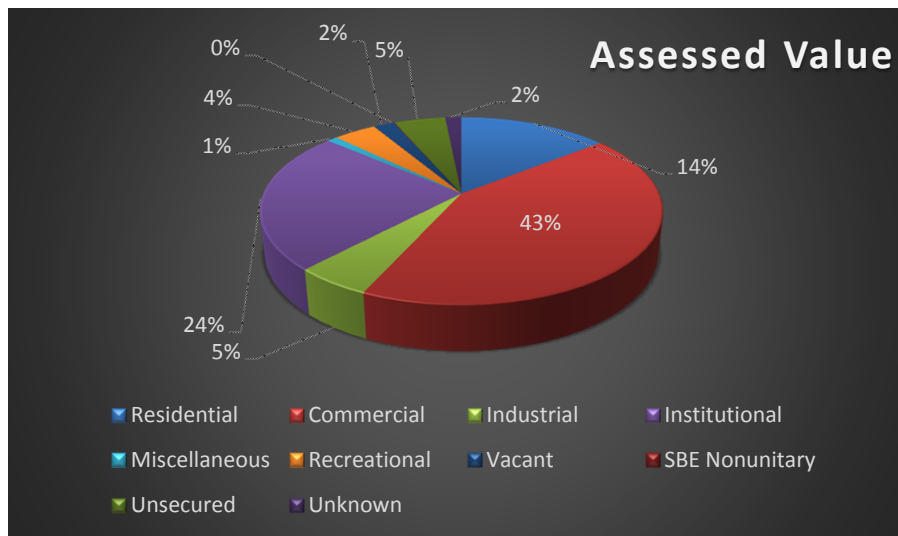
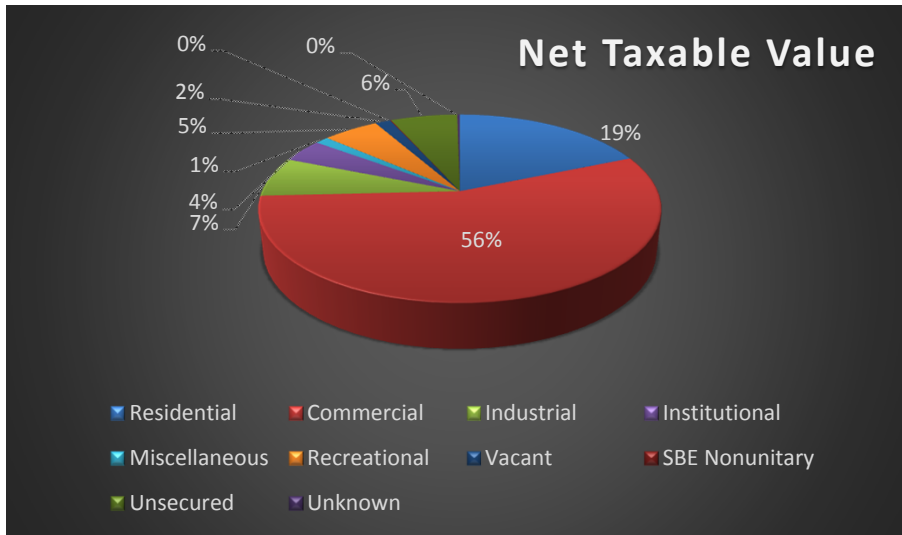
Fiscal Year	Secured Property Assessed Value	Unsecured Property Assessed Value	SBE Nonunitary Value (a)	Total Assessed Value (a)	Total Direct Tax Rate (b)	Percentage Growth Change
2005	365,420,259	38,647,582	314,288	404,382,129	1.0%	
2006	415,882,353	39,341,159	314,288	455,537,800	1.0%	12.7%
2007	473,383,998	43,853,642	314,288	517,551,928	1.0%	13.6%
2008	458,310,704	42,682,910	723,100	501,716,714	1.0%	-3.1%
2009	518,887,963	42,215,361	723,100	561,826,424	1.0%	12.0%
2010	497,649,479	45,180,770	723,100	543,553,349	1.0%	-3.3%
2011	493,189,593	35,162,186	723,100	529,074,879	1.0%	-2.7%
2012	497,097,100	34,175,946	542,325	531,815,371	1.0%	0.5%
2013	520,782,477	36,007,528	542,325	557,332,330	1.0%	4.8%
2014	534,119,184	36,578,906	542,325	571,240,415	1.0%	2.5%

(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

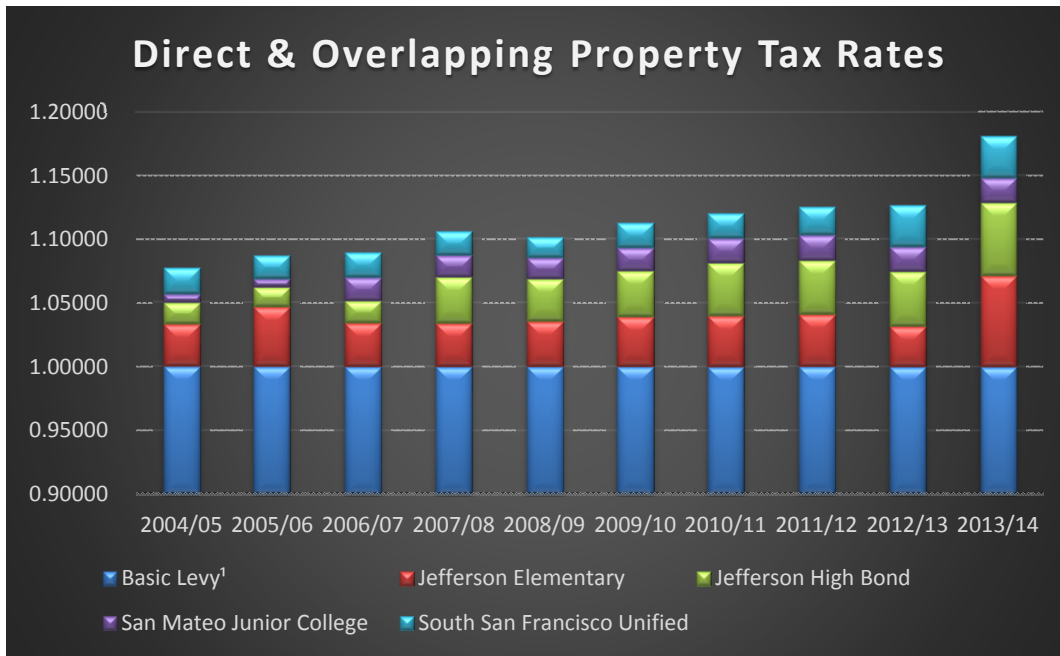
(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The Town of Colma encompasses 7 tax rate areas.

TOWN OF COLMA
Assessed Value of Taxable Property by Use
Fiscal year ending June 30, 2014

Category	Parcels	Assessed Value	% of Total	Net Taxable Value	% of Total
Residential	311	106,661,363	14.3%	106,661,363	18.7%
Commercial	70	317,287,331	42.5%	317,287,331	55.5%
Industrial	19	39,201,981	5.2%	39,201,981	6.9%
Institutional	50	181,698,897	24.3%	23,142,339	4.1%
Miscellaneous	21	7,325,054	1.0%	7,325,054	1.3%
Recreational	1	30,518,073	4.1%	30,518,073	5.3%
Vacant	109	15,044,394	2.0%	8,514,490	1.5%
SBE Nonunitary	[3]	542,325	0.1%	542,325	0.1%
Unsecured	[124]	36,855,206	4.9%	36,578,906	6.4%
Unknown	4	11,623,118	1.6%	1,468,553	0.3%
TOTALS	585	746,757,742		571,240,415	



TOWN OF COLMA
Direct & Overlapping Property Tax Rates
(Rate per \$100 of Taxable Value)
Last Ten Fiscal Years



Agency	2004/05	2005/06	2006/07	2007/08	2008/09
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000
Jefferson Elementary	0.03290	0.04660	0.03410	0.03400	0.03540
Jefferson High Bond	0.01700	0.01530	0.01740	0.03610	0.03330
San Mateo Junior College	0.00650	0.00650	0.01840	0.01710	0.01650
South San Francisco Unified	0.02060	0.01820	0.01950	0.01890	0.01620
Total Direct & Overlapping Tax Rates	1.07700	1.08660	1.08940	1.10610	1.10140

2009/10	2010/11	2011/12	2012/13	2013/14
1.00000	1.00000	1.00000	1.00000	1.00000
0.03890	0.03990	0.04070	0.03160	0.07130
0.03600	0.04160	0.04220	0.04300	0.05740
0.01820	0.01930	0.01990	0.01940	0.01940
0.01950	0.01960	0.02210	0.03270	0.03280
1.11260	1.12040	1.12490	1.12670	1.18090

Town of Colma

**Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago****2013-14**

Taxpayer	Business Type
Babies R Us	Specialty Stores
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/ApplianceStores
BevMo	Package Liquor Stores
Cypress Lawn Cemetary	Morticians and Undertakers
Golden Gate Acura	New Motor Vehicle Dealers
Home Depot	Lumber/Building Materials
Honda of Serramonte	New Motor Vehicle Dealers
Hyundai Serramonte	New Motor Vehicle Dealers
Kohls	Department Stores
Lexus of Serramonte	New Motor Vehicle Dealers
Lucky Chances Casino & Dining	Leisure/Entertainment
Marshalls	Family Apparel
Michaels Arts & Crafts	Art/Gift/Novelty Stores
Nordstrom Rack	Department Stores
Old Navy	Family Apparel
Pacific Nurseries	Garden Agriculture Supplies
Pacific Sales	Electronics/ApplianceStores
Serramonte Auto Plaza	New Motor Vehicle Dealers
Serramonte Ford	New Motor Vehicle Dealers
Serramonte Ford	New Motor Vehicle Dealers
Stewart Chevrolet Chrysler	New Motor Vehicle Dealers
Target	Discount DeptStores
Team Volkswagen Subaru	New Motor Vehicle Dealers
Toyota Lease Trust	Auto Lease

Percent of Fiscal Year Paid by Top 25 Accounts = 88.84%

2004-05

Taxpayer	Business Type
Babies R Us	Specialty Stores
Barnes & Noble	Stationery/Bood Stores
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/ApplianceStores
BevMo	Package Liquor Stores
Colma Buick Pontiac GMC	New Motor Vehicle Dealers
Cost Plus World Market	Home Furnishings
Cypress Lawn Cemetary	Morticians and Undertakers
Golden Gate Acura	New Motor Vehicle Dealers
Home Depot	Lumber/Building Materials
Honda of Serramonte	New Motor Vehicle Dealers
Infiniti Serramonte	New Motor Vehicle Dealers
Kohls	Department Stores
Lexus of Serramonte	New Motor Vehicle Dealers
Lucky Chances Casino & Dining	Leisure/Entertainment
Magnolia Hi Fi	Electronics/ApplianceStores
Marshalls	Family Apparel
Nordstrom Rack	Department Stores
Old Navy	Family Apparel
Pacific Nurseries	Garden Agriculture Supplies
Serramonte Auto Plaza	New Motor Vehicle Dealers
Serramonte Ford	New Motor Vehicle Dealers
Stewart Chevrolet Chrysler	New Motor Vehicle Dealers
Target	Discount DeptStores
Toyota Motor Credit Corporation	Auto Lease

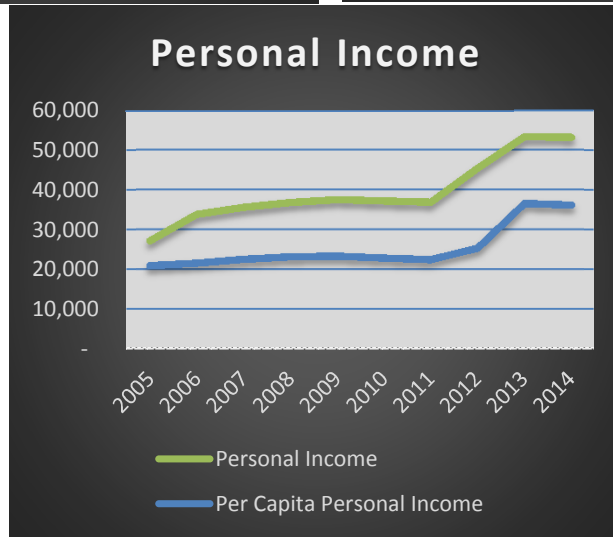
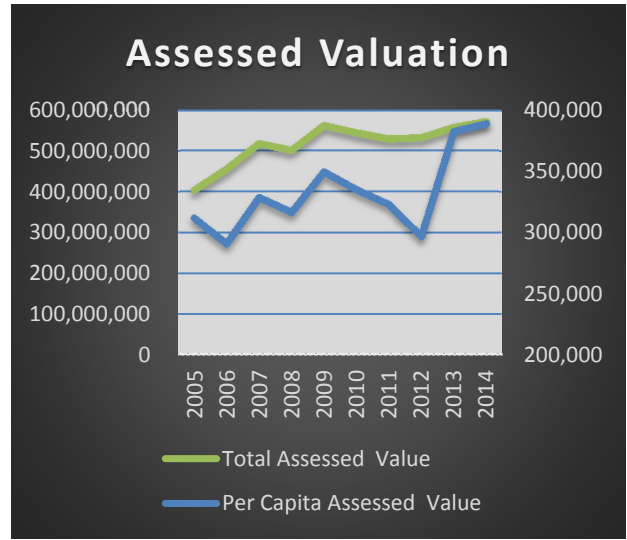
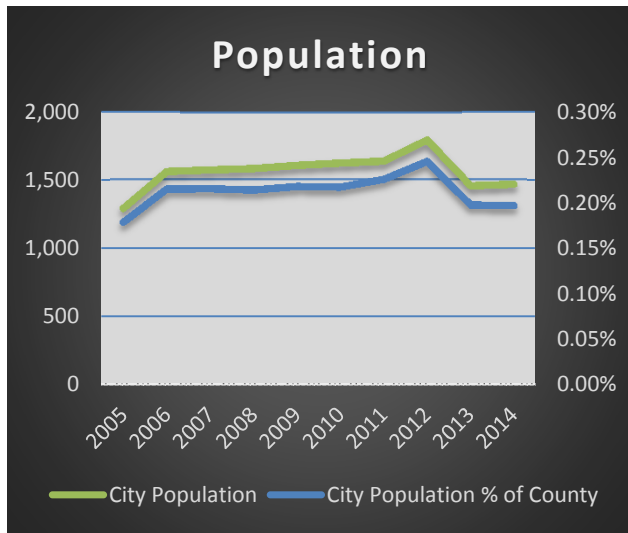
Percent of Fiscal Year Paid by Top 25 Accounts = 89.86%

Town of Colma
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	2004	2005	2006	2007	2008
Apparel Stores	\$24,743	\$25,468	\$26,498	\$26,673	\$25,130
General Merchandise	97,189	103,576	110,166	117,195	116,241
Eating and Drinking Places	8,020	8,082	8,407	8,659	9,048
Auto Dealers and Supplies	352,041	359,658	340,578	316,377	231,712
Other Retail Stores	232,238	277,580	256,728	251,480	233,299
All Other Outlets	113,893	128,917	121,538	119,188	102,217
Total	\$830,128	\$905,286	\$865,921	\$841,579	\$719,655

2009	2010	2011	2012	2013
\$27,423	\$27,968	\$28,689	\$32,947	\$31,688
119,246	115,710	124,316	127,386	125,973
9,471	9,312	12,544	14,266	14,279
216,932	230,532	266,389	341,827	412,595
211,692	206,135	198,760	201,287	217,529
93,074	104,389	111,745	126,060	150,246
<u>\$679,847</u>	<u>\$696,056</u>	<u>\$744,454</u>	<u>\$845,785</u>	<u>\$954,323</u>

TOWN OF COLMA
Demographic and Economic Statistics
Last Ten Fiscal Years



Fiscal Year	City Population	Total Assessed Value	Per Capita Assessed Value	Personal Income (in thousands)	Per Capita Personal Income	San Mateo County Population	City Population % of County
2005	1,295	404,382,129	312,264	27,234	21,030	722,160	0.18%
2006	1,563	455,537,800	291,451	33,883	21,678	726,336	0.22%
2007	1,574	517,551,928	328,813	35,636	22,641	730,339	0.22%
2008	1,584	501,716,714	316,740	36,876	23,281	739,469	0.21%
2009	1,607	561,826,424	349,612	37,649	23,428	736,951	0.22%
2010	1,622	543,553,349	335,113	37,248	22,965	745,654	0.22%
2011	1,637	529,074,879	323,198	36,937	22,564	724,702	0.23%
2012	1,789	531,815,371	297,270	45,492	25,429	729,443	0.25%
2013	1,458	557,332,330	382,258	53,392	36,620	735,678	0.20%
2014	1,470	571,240,415	388,599	53,218	36,203	745,193	0.20%