



QUARTERLY FINANCIAL REPORT

THIRD QUARTER 2016-2017

(January 1, 2017 – March 31, 2017)

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

GENERAL FUND FINANCIAL POSITION

In Fiscal Year 2016-2017 the General Fund includes budgeted revenue of approximately \$17.0 million and budgeted expenditures of \$14.3 million. The budget amounts incorporate the Mid-Year Budget Adjustments approved by the City Council. In addition the General Fund has net budgeted transfers of approximately \$5.85 million. A transfer represents resources in one fund that are transferred to another fund. The transfers in the current year budget are for Capital Project funding and Debt Service. This includes a supplemental transfer to the Capital Project Fund for the Town Hall Construction. These funds will remain in the CIP Fund until expended for the project.

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	3rd Qtr Actual	% Actual For Period	Budget Fiscal Year	3rd Qtr Actual	% of Budget For Period
Revenue	\$17,719,195	\$9,222,155	52.0%	\$17,036,712	\$11,262,393	66.1%
Expenditures	(13,410,013)	(9,718,166)	72.5%	(14,304,795)	(10,275,080)	71.8%
Net Transfers In / (Out)	(9,833,630)	(9,543,165)		(5,853,170)	(5,642,773)	
Net Change	(5,524,447)	(10,039,177)		(3,121,253)	(4,655,459)	
Beginning Balance	28,118,695	28,117,911		22,594,248	22,594,248	
Balance Year To Date	22,594,248	18,078,734		19,472,995	17,938,789	

MAJOR GENERAL FUND REVENUE SOURCES

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

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	3rd Qtr Actual	% Actual For Period	Budget Fiscal Year	3rd Qtr Actual	% of Budget For Period
Sales Taxes	\$10,851,062	\$5,071,669	46.7%	\$10,750,000	\$6,873,676	63.9%
Cardroom Taxes	4,039,518	2,590,359	64.1%	4,050,000	2,768,629	68.4%
Property Taxes	562,378	373,400	66.4%	576,300	351,060	60.9%
Sewer Fees	836,480	428,378	51.2%	710,000	414,785	58.4%
Sub-Total Major Revenue	\$16,289,438	\$8,463,806	52.0%	\$16,086,300	\$10,408,150	64.7%
Total Revenue - GF	\$17,719,195	\$9,222,095		\$17,036,712	\$11,262,393	
% Major 5 Revenues	91.9%	91.8%		94.4%	92.4%	

As shown in the previous table approximately two-thirds of the General Fund Revenue was collected in the first nine months of the fiscal year. A narrative explanation is provided below for key deviations.

MAJOR REVENUE

- Sales Tax revenue reported as of the third quarter represents actual retail transactions through December 31st, plus advances received for the third quarter from the Board of Equalization.
- Comparison of Sales Tax for the two years is difficult because in FY 2015-16 the State continued to retain triple flip reimbursements that were not paid out until the final quarter. The Triple Flip component is now gone and in the future tracking from year to year should be more consistent.
- Cardroom taxes can fluctuate from year to year based on a variety of factors. The adopted budget for Fiscal Year 2016-2017 is only \$10,482 more than the actual amount collected in Fiscal Year 2015-16. Through the first nine months this revenue continues to out-perform the previous year and revenue is expected to be more than budget.
- Property taxes for the current year reflect the first of two major installments. The percentage collected is less than in the previous year, due primarily to a large Transfer Tax payment received in FY 2016.
- Sewer Fees are collected on the Property Tax bill. The fees represent the first of two major installments received from the Property Tax bill payments. Estimates completed as part of the development of next year’s budget expect the actual Sewer Fee Revenue to be \$30,000 more than the adopted Budget.

GENERAL FUND EXPENDITURES

General Fund Expenditures in the current year are approximately 71.8% of the amount Budgeted and most Departments are tracking similar to the previous year. Engineering and Planning are mostly contract services and there are fluctuations from year to year based on workload and timing of the processing of invoices. Facility expenses can fluctuate from year to year depending on the level of special improvement projects and when they occur during the year.

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	3rd Qtr Actual	% Actual For Period	Budget Fiscal Year	3rd Qtr Actual	% of Budget For Period
General Government	\$3,194,542	\$2,253,318	70.5%	\$3,123,985	\$2,253,318	72.1%
Police	5,535,529	3,941,865	71.2%	6,437,090	4,678,795	72.7%
Engineering / Building / Planning	1,381,129	739,748	53.6%	1,407,000	958,900	68.2%
Public Works Maintenance	1,970,819	1,416,815	71.9%	1,783,530	1,340,997	75.2%
Recreation Services	864,463	646,872	74.8%	972,740	724,685	74.5%
Facility Maintenance	463,531	319,549	68.9%	580,450	318,385	54.9%
TOTAL	\$13,410,013	\$9,318,168	69.5%	\$14,304,795	\$10,275,080	71.8%

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

	FISCAL YEAR 2015-2016			FISCAL YEAR 2016-2017		
	Actual Fiscal Year	3rd Qtr Actual	% Actual For Period	Budget Fiscal Year	3rd Qtr Actual	% of Budget For Period
Salaries & Benefits	7,131,857	\$5,679,154	79.6%	\$8,410,550	\$6,202,558	73.7%
Operating Services & Supplies	2,272,106	1,123,590	49.5%	1,700,895	1,059,940	62.3%
Contractual / Professional Services	2,207,236	1,322,974	59.9%	2,372,350	1,559,699	65.7%
Infrastructure Maint Contract Svcs	281,416	155,273	55.2%	336,000	115,084	34.3%
Sewer Services	940,029	918,555	97.7%	890,000	816,630	91.8%
Insurance (Liability/Property/WC)	577,369	518,621	89.8%	595,000	521,169	87.6%
TOTAL	\$13,410,013	\$9,718,166	72.5%	\$14,304,795	\$10,275,080	71.8%
OTHER USES / (TRANSFERS IN)	\$9,833,630	\$9,543,165		\$5,853,170	\$5,642,773	
EXPENDITURES & TRANSFERS	\$23,243,643	\$19,261,331		\$20,157,965	\$15,917,853	

Overall the expenditures through March are expected to trend within the adopted budget.

Information related to significant deviations are discussed below:

- As shown in the previous table salaries and benefits are the most significant portion of General Fund expenditures. This category lags slightly when compared to the prior year. This is because the amended budget includes funding for retroactive pay adjustments that will be processed in the fourth quarter.
- Sewer Service costs compared to Budget show 90% of the budget has been used. This is a typical pattern as the collection and treatment system payments to the providers are made early in the Fiscal Year. The remainder of the budgeted expenses would be associated with maintenance expense on the system during the year.
- A significant portion of the Insurance expense has been incurred. This is a typical pattern as most of these costs are insurance premiums. The premium payment for liability and property insurance is due in the first month of the Fiscal Year.

HIGH LEVEL SUMMARY – ALL FUNDS

The Table below provides a summary of “All Funds” and their activity for the three quarters ending March 31, 2017. This report highlights in summary fashion key indicators of the Town Financial performance. As mentioned earlier the General Fund is the most significant to the operations of the Town, however, it is also appropriate to consider the other sources of funding. As shown the balance held in Capital Project Funds is approximately \$15.2 million and includes additional funds transferred for the Town Hall Project.

TOWN OF COLMA QUARTERLY REPORT OF ALL FUNDS (PRELIMINARY BALANCE AND ACTIVITY - CASH BASIS) QUARTER 3 - FISCAL YEAR 2016-2017					
FUND TYPE / NAME	BEGINNING FUND BALANCE 7/1/16	Fiscal Year To Date (July - March 2017)			YTD BALANCE
		YTD REVENUE	TRANSFERS IN / (OUT)	YTD EXPENDITURES	
General					
11-General Fund	\$22,594,248	\$11,262,393	(\$5,642,773)	(\$10,275,080)	\$17,938,789
Sub-Total	22,594,248	11,262,393	(5,642,773)	(10,275,080)	17,938,789
Special Revenue					
21-State Gas Tax Fund	28,012	26,121		(14,716)	39,417
22- Measure A Transportation	58,439	36,155			94,594
29- Police Grants / (COPS)	120,658	106,714		(78,437)	148,935
Sub-Total	207,109	168,990	0	(93,152)	282,947
Capital Project Funds					
31- General CIP	8,772,940		5,550,000	(884,950)	13,437,990
33- Town Hall CIP Financed \$	4,343,192	19,270		(2,631,565)	1,730,897
Sub-Total	13,116,132	19,270	5,550,000	(3,516,515)	15,168,887
Debt Service Funds					
43- COP Debt Service	62	10	92,773	(96,234)	(3,390)
Sub-Total	62	10	92,773	(96,234)	(3,390)
Internal Service Funds					
61-Fleet Replacement	776,421	4,768	0	0	781,188
Sub-Total	776,421	4,768	0	0	781,188
Trust Funds*					
71-OPEB-Retiree Medical	1,094,504	878,724	0	(488,246)	1,484,981
72-Retirement (PARS)	18,914	770	0	(36)	19,648
Sub-Total	1,113,418	879,494	0	(488,282)	1,504,630
GRAND TOTAL	\$37,807,390	\$12,334,924	\$0	(\$14,469,264)	\$35,673,050
* These Trust Funds were established to report funding contributed to an irrevocable trust for retirement benefit purposes. The funds are not available to the Town for General Operating and / or discretionary expenditures.					

ADDITIONAL DETAILS AND INFORMATION

This is a new format prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. Additional details are available on the Town website www.colma.ca.gov.