



QUARTERLY FINANCIAL REPORT SECOND QUARTER 2017-18 (October 1, 2017 – December 31, 2017)

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

GENERAL FUND FINANCIAL POSITION

In Fiscal Year 2017-18, the General Fund includes budgeted revenue of approximately \$17.6 million and budgeted expenditures of \$14.8 million. In addition, the General Fund has budgeted transfers of \$1.1 million. A transfer represents resources in one fund that are transferred to another fund. The primary transfers in the current year budget are for Capital Project funding (\$888,840) and Debt Service (\$297,070).

	FISCAL YEAR 2016-17			FISCAL YEAR 2017-18		
	Actual Fiscal Year	2nd Qtr Actual	% Actual for Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget for Period
Revenue	\$16,582,712	\$6,729,480	41%	\$17,636,197	\$6,984,947	40%
Expenditures	(14,013,750)	(7,581,761)	54%	(14,846,620)	(7,830,002)	53%
Net Transfers In / (Out)	(853,170)	(642,773)		(1,185,910)	(1,063,122)	
Net Change	1,715,792	(1,495,054)		1,603,667	(1,908,177)	
Beginning Balance	22,594,248	22,594,248		20,481,953	24,310,040	
Balance Year To Date	24,310,040	21,099,194		22,085,620	22,401,863	

MAJOR GENERAL FUND REVENUE SOURCES

More than 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 2016-17			FISCAL YEAR 2017-18		
	Actual Fiscal Year	2nd Qtr Actual	% Actual for Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget for Period
Sales Taxes	\$10,550,000	\$3,890,756	37%	\$11,150,000	\$3,889,439	35%
Cardroom Taxes	3,790,000	1,699,512	45%	4,120,000	1,758,812	43%
Property Taxes	576,300	289,778	50%	613,300	296,107	48%
Sewer Fees	710,000	370,899	52%	740,000	370,899	50%
Sub-Total Major Revenue	\$15,626,300	\$6,250,945	40%	\$16,623,300	\$6,315,257	38%
Total Revenue - GF	\$16,582,712	\$6,729,480		\$17,636,197	\$6,984,947	
% Major 5 Revenues	94%	93%		94%	90%	

As shown in the previous table approximately 40 percent of the General Fund Revenue was collected in the first six months of the fiscal year. A narrative explanation is provided below for key deviations.

MAJOR REVENUE (Continued)

- Sales Tax revenue represents actual retail transactions through September 30th plus advances received for the second quarter from the Board of Equalization. Based on input from the Town's Sales Tax Consultant (HdL) an increase in the Budgeted Sales Tax revenue is recommended as part of the Mid-Year Adjustments due to revenue from new businesses.
- Cardroom taxes can fluctuate from year to year based on a variety of factors. Through the first six months this revenue source is slightly ahead of last year's revenues at this time last year.
- Property taxes for the current year reflect the first of two major installments. The amount recorded is slightly ahead of last year's collections and on track for this time in the fiscal year.
- Sewer Fees are collected on the Property Tax bill. The fees represent the first of two major installments received from Property Tax payments. The revenues are on target for this quarter.

GENERAL FUND EXPENDITURES

Overall, expenditures compared to the prior year performance through the second quarter, total expenses were similar in the current year (FY 2017 = 54% and FY 2018 = 53%).

COMPARISON OF EXPENDITURES BY PROGRAM AREA

	FISCAL YEAR 2016-17			FISCAL YEAR 2017-18		
	Actual Fiscal Year	2nd Qtr Actual	% Actual for Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget for Period
General Government	\$3,083,070	\$1,763,970	57%	\$3,286,620	\$1,795,581	55%
Police	6,215,960	3,371,033	54%	6,816,610	3,611,376	53%
Engineering / Building / Planning	1,407,000	536,450	38%	1,306,410	423,208	32%
Public Works Maintenance	1,765,530	1,190,748	67%	1,854,000	1,255,634	68%
Recreation Services	961,740	517,124	54%	985,000	519,686	53%
Facility Maintenance	580,450	202,436	35%	597,580	224,517	38%
TOTAL	\$14,013,750	\$7,581,761	54%	\$14,846,220	\$7,830,002	53%

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

	FISCAL YEAR 2016-17			FISCAL YEAR 2017-18		
	Actual Fiscal Year	2nd Qtr Actual	% Actual for Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget for Period
Salaries & Benefits	\$8,129,420	\$4,479,406	55%	\$8,780,630	\$4,734,173	54%
Operating Services & Supplies	1,690,980	715,869	42%	1,865,420	744,844	40%
Contractual / Professional Services	2,372,350	965,940	41%	2,295,460	832,859	36%
Infrastructure Maint Contract Svcs	336,000	82,748	25%	353,010	128,887	37%
Sewer Services	890,000	816,630	92%	900,000	817,336	91%
Insurance (Liability/Property/WC)	595,000	521,169	88%	652,100	571,902	88%
TOTAL	\$14,013,750	\$7,581,762	54%	\$14,846,620	\$7,830,001	53%
OTHER USES / (TRANSFERS IN)	\$853,170	\$642,773		\$1,185,910	\$93,289	
EXPENDITURES & TRANSFERS	\$14,866,920	\$8,224,535		\$16,032,530	\$7,923,290	

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

- As shown in the previous table salaries and benefits are the most significant portion of General Fund expenditures. A significant factor which contributes to expenses above 50% after two quarters is the pre-payment of PERS retirement contribution. By depositing a lump sum amount in July instead of monthly payments the Town is able to take advantage of a discount.
- Contract services include a variety of professional as well as service contracts associated with providing Town services. There can sometimes be a lag in the billing from the service provider.
- Infrastructure Maintenance Contract Service costs can be impacted by weather and are not typically distributed throughout the year.
- Sewer Service costs are over 90% of the budget. 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.

ADDITIONAL GENERAL FUND DETAILS AND INFORMATION

This reporting format was prepared by the Finance Department to highlight in summary fashion key indicators of the Town General Fund Financial performance.

Additional Financial Reports – including earlier Quarterly Financial Reports, Audits and Budgets are available on the Town website at www.colma.ca.gov.

This report will be posted on the Town website after it has been reviewed by the City Council.

HIGH LEVEL SUMMARY – ALL FUNDS

The Table below provides a summary of “All Funds” and their activity for the two quarters ending December 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 fund when it comes 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 \$14.3 million after expenses and revenues to date in the 2017-18 fiscal year.

**TOWN OF COLMA QUARTERLY REPORT OF ALL FUNDS
(PRELIMINARY BALANCE AND ACTIVITY - CASH BASIS)
QUARTER 2 - FISCAL YEAR 2017-2018**

FUND TYPE / NAME	BEGINNING FUND BALANCE 7/1/17	Fiscal Year To Date (July - Dec 2017)			YTD BALANCE
		YTD REVENUE	TRANSFERS IN / (OUT)	YTD EXPENDITURES	
General					
11-General Fund	\$21,547,836	\$6,984,947	(\$63,790)	(\$7,830,002)	\$20,638,991
Sub-Total	21,547,836	6,984,947	(63,790)	(7,830,002)	20,638,991
Special Revenue					
21-State Gas Tax Fund	1	17,292		(8,753)	8,540
22-Measure A Transportation	111,144	25,254		0	136,398
23-Transportation Grant	0	0		(6,838)	(6,838)
27-Public Safety Grants	0	76		(10,550)	(10,474)
29-Police Grants / (COPS)	148,331	71,317		(58,349)	161,299
Sub-Total	259,476	113,939	0	(84,489)	288,925
Capital Project Funds					
31-General CIP	13,579,938	2,062	(29,499)	(394,669)	13,157,831
33-Town Hall CIP Financed \$	1,729,570	8,668		(592,564)	1,145,674
Sub-Total	15,309,508	10,730	(29,499)	(987,233)	14,303,506
Debt Service Funds					
43-COP Debt Service	45	93,334	93,289	(93,334)	93,333
Sub-Total	45	93,334	93,289	(93,334)	93,333
Internal Service Funds					
61-Fleet Replacement	753,160	2,862		(47,145)	708,877
Sub-Total	753,160	2,862	0	(47,145)	708,877
Trust Funds*					
71-OPEB-Retiree Medical	1,686,932	682,799		(292,947)	2,076,784
72-Retirement (PARS)	20,064	841		(21)	20,884
Sub-Total	1,706,996	683,639	0	(292,968)	2,097,668
GRAND TOTAL	\$39,577,021	\$7,889,451	\$0	(\$9,335,172)	\$38,131,300

* 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.