



# FY 2019-20 FINANCIAL REPORT

## (JULY 1, 2019 – September 30, 2019)

Quarter 1 analysis is for only the first three months of the fiscal year. As such, the best gauge of whether the Town is on track is to compare to the same period in the prior year. The main reason is payment timing where the majority of the tax revenues are in the second and fourth quarter and some expenditures are paid in the first quarter for the entire year.

### GENERAL FUND: BUDGET VS ACTUAL

In the first quarter, the Town received \$1,870,000 in general fund revenues and spent \$4,631,000 in operating expenditures. Small capital purchases are made as part of operations but capital improvements and purchases larger than \$10,000 are recorded in the capital, internal service, and enterprise funds.

Comparing this year to last year, the general fund revenues and expenditures are trending consistently to the same period in FY 2018-19.

### General Fund Revenues

As shown in Table 1 (RIGHT), a tenth of the general fund revenues is received in the first three months of the year. Consistent with the same period in FY 2018-19, **sales tax** and **cardroom tax** revenues represent 7% and 19% of total budget, respectively.

Total **sales tax** revenues of \$12,067,000 in FY 2018-19 includes one-time catchup payments from the State due to delays in tax distribution resulting from changes in the sales tax reporting system. The FY 2019-20 budget of \$11,400,000 accounts for this one-time payment, plus a slowdown in the auto and consumer sales.

**Cardroom tax** of \$798,000 represents two months of payments, consistent with the prior year. Each payment has been higher than the prior year. However, the Town continues to be cautious with this revenue stream as threats continue to be an issue. City Council continues to attend the California Gambling Control Commission meetings to voice our opposition to additional card game restrictions on cardroom establishments. The restrictions would only allow certain high revenue generating card games to be offered at tribal owned casinos and disallow such games in non-tribal cardroom establishments.

TABLE 1: GENERAL FUND BUDGET TO ACTUAL THRU SEPT 2019

GENERAL FUND (IN THOUSANDS)	2018-19 Actuals			2019-20 Budget to Actuals		
	Thru 6/30/19	Thru 9/30/18	% of Actual	Budget	Thru 9/30/19	% of Budget
<b>REVENUES:</b>						
SALES TAX	12,067	799	7%	11,400	783	7%
CARDROOM TAX	4,521	734	16%	4,264	798	19%
PROPERTY AND OTHER TAXES	772	2	0%	752	3	0%
USE OF MONEY AND PROPERTY	560	154	27%	610	157	26%
OTHER REVENUES	475	86	18%	710	131	18%
<b>REVENUES TOTAL</b>	<b>18,395</b>	<b>1,775</b>	<b>10%</b>	<b>17,736</b>	<b>1,871</b>	<b>11%</b>
<b>EXPENDITURES (BY CATEGORIES):</b>						
SALARY, WAGES, & BENEFITS	9,692	2,743	28%	11,044	3,264	30%
PROFESSIONAL & CONTRACT SERVICES	2,273	347	15%	3,049	411	13%
SUPPLIES & SERVICES	1,114	224	20%	1,373	218	16%
FACILITY OPERATIONS	555	65	12%	721	115	16%
INSURANCE (LIABILITY / PROPERTY)	655	598	91%	741	622	84%
CAPITAL OUTLAY	46	7	15%	43	2	4%
<b>EXPENDITURES TOTAL</b>	<b>14,336</b>	<b>3,984</b>	<b>28%</b>	<b>16,972</b>	<b>4,631</b>	<b>27%</b>
<b>OTHER FINANCING SOURCES IN (OUT):</b>						
NET TRANSFERS	(3,332)	(870)	26%	(1,775)	(1,317)	74%
<b>OTHER FINANCING SOURCES TOTAL</b>	<b>(3,332)</b>	<b>(870)</b>	<b>26%</b>	<b>(1,775)</b>	<b>(1,317)</b>	<b>74%</b>
<b>NET CHANGE IN GENERAL FUND</b>	<b>726</b>	<b>(3,079)</b>	<b>-424%</b>	<b>(1,011)</b>	<b>(4,077)</b>	<b>403%</b>

### General Fund Expenditures

Overall General Fund expenditures are 27% of total budget. The two largest categories are **salary, wages, & benefits** and **insurance**. The Town pays in full unfunded pension liabilities in July to save \$30,312 in interest payments for the year. As for **insurance**, the Town pays workers compensation, general liability and property insurances in the first quarter of the year. In general, insurance increased by 5% due to claim loss history.

The Town's General Fund also supports the capital program, debt services, sewer operations, and city properties. The FY 2019-20 budget includes a \$1,317,000 transfer for capital projects, \$297,369 transfer for debt services payments and management, and \$160,700 transfer for sewer operation. Capital transfers are done at the beginning of the year and based on budget, whereas debt service and sewer is transferred throughout the year and based on actual spending. [See Capital Program Update for more information.](#)

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### FUND BALANCE SUMMARY – ALL FUNDS

Total Fund Balance at September 30, 2019 is \$25.8 million excluding trusts and \$31.2 million including trusts. Ignoring the trust funds, revenues for all funds total \$1.98 million and expenditures total \$5.82 million. Due to when invoices are due and when taxes are distributed, the Town maintains a \$4.0 million to \$7.0 million balance in the checking accounts and maintains the rest in less liquid investment portfolios.

TABLE 2: FUND BALANCE SUMMARY FOR ALL FUNDS							
FUND TITLE	Fund	Fund Balance @ 7/1/19	Revenues YTD 09/30/19	Expenditures YTD 09/30/19	Net Transfers In/(Out)	Net Change in Fund Balance	Fund Balance @ 09/30/19
<b>GENERAL FUND</b>							
GENERAL FUND	11						
LITIGATION RESERVE		100,000	0	0	0	0	100,000
INSURANCE RESERVE		100,000	0	0	0	0	100,000
DISASTER RESERVE		750,000	0	0	0	0	750,000
UNASSIGNED		10,982,278	1,870,830	(4,630,706)	(1,317,000)	(4,076,876)	6,905,402
GENERAL FUND RESERVE	12				0	0	
BUDGET STABILIZATION		12,000,000	0	0	0	0	12,000,000
DEBT REDUCTION		600,000	0	0	0	0	600,000
ACCRUED LEAVE PAYOUT RESERVE		650,000	0	0	0	0	650,000
<b>GENERAL FUND TOTAL</b>		<b>25,182,278</b>	<b>1,870,830</b>	<b>(4,630,706)</b>	<b>(1,317,000)</b>	<b>(4,076,876)</b>	<b>21,105,402</b>
<b>SPECIAL FUNDS</b>							
GAS TAX	21	59,321	9,305	(3,954)	0	5,351	64,672
MEASURE A	22	242,757	12,363	0	0	12,363	255,120
HOUSING IMPACT FEES	25	259,681	0	0	0	0	259,681
PUBLIC SAFETY GRANTS	27	10,532	0	(2,199)	0	(2,199)	8,333
COPS GRANT	29	145,464	55,948	(72,565)	0	(16,618)	128,846
<b>SPECIAL FUNDS TOTAL</b>		<b>717,755</b>	<b>77,615</b>	<b>(78,718)</b>	<b>0</b>	<b>(1,103)</b>	<b>716,652</b>
<b>CAPITAL</b>							
CAPITAL IMPROVEMENT	31	1,310,417	0	(67,723)	1,272,000	1,204,277	2,514,694
STREET CAPITAL	32	1,690,440	0	(65,103)	45,000	(20,103)	1,670,337
<b>CAPITAL FUNDS TOTAL</b>		<b>3,000,857</b>	<b>0</b>	<b>(132,825)</b>	<b>1,317,000</b>	<b>1,184,175</b>	<b>4,185,032</b>
<b>DEBT</b>							
COP DEBT SERVICE	43	2,620	0	0	0	0	2,620
<b>DEBT FUND TOTAL</b>		<b>2,620</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,620</b>
<b>ISF</b>							
VEHICLE / FLEET REPLACEMENT ISF	61	634,930	1,116	(35,018)	0	(33,902)	601,028
<b>INTERNAL SERVICE FUND (ISF) TOTAL</b>		<b>634,930</b>	<b>1,116</b>	<b>(35,018)</b>	<b>0</b>	<b>(33,902)</b>	<b>601,028</b>
<b>ENTERPRISE</b>							
SEWER OPERATING	81	0	0	(926,814)	0	(926,814)	(926,814)
SEWER CAPITAL	82	11,732	0	(1,294)	0	(1,294)	10,438
CITY PROPERTIES	83	90,482	32,724	(16,821)	0	15,903	106,385
<b>ENTERPRISE FUND TOTAL</b>		<b>102,214</b>	<b>32,724</b>	<b>(944,929)</b>	<b>0</b>	<b>(912,205)</b>	<b>(809,991)</b>
<b>TOTAL FOR ALL FUNDS (NON TRUST)</b>		<b>29,640,654</b>	<b>1,982,286</b>	<b>(5,822,197)</b>	<b>0</b>	<b>(3,839,911)</b>	<b>25,800,743</b>
<b>TRUST</b>							
OPEB TRUST	71	4,108,440	456,745	(213,004)	0	243,741	4,352,181
RETIREMENT TRUST	72	1,056,122	13,431	(663)	0	12,768	1,068,890
<b>TRUST FUNDS TOTAL</b>		<b>5,164,562</b>	<b>470,177</b>	<b>(213,667)</b>	<b>0</b>	<b>256,509</b>	<b>5,421,071</b>
<b>TOTAL FOR ALL FUNDS (NON TRUST)</b>		<b>34,805,216</b>	<b>2,452,462</b>	<b>(6,035,864)</b>	<b>0</b>	<b>(3,583,401)</b>	<b>31,221,815</b>

### ADDITIONAL DETAILS AND INFORMATION

This format was prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. Additional Financial Reports and Budgets – including earlier Quarterly Financial Reports, Audits and Budgets – are also available on the Town website [www.colma.ca.gov](http://www.colma.ca.gov). This report will also be posted on the Town website after it has been reviewed by the City Council.