

TOWN OF COLMA
COLMA, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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Town of Colma
List of Elected Officials, Appointed Officials & Contract Service Providers
as of June 30, 2019

Elected City Officials

Mayor	Joanne F. del Rosario
Vice Major	John Goodwin
Council Member	Diana Colvin
Council Member	Helen Fiscaro
Council Member	Raquel “Rae” Gonzales

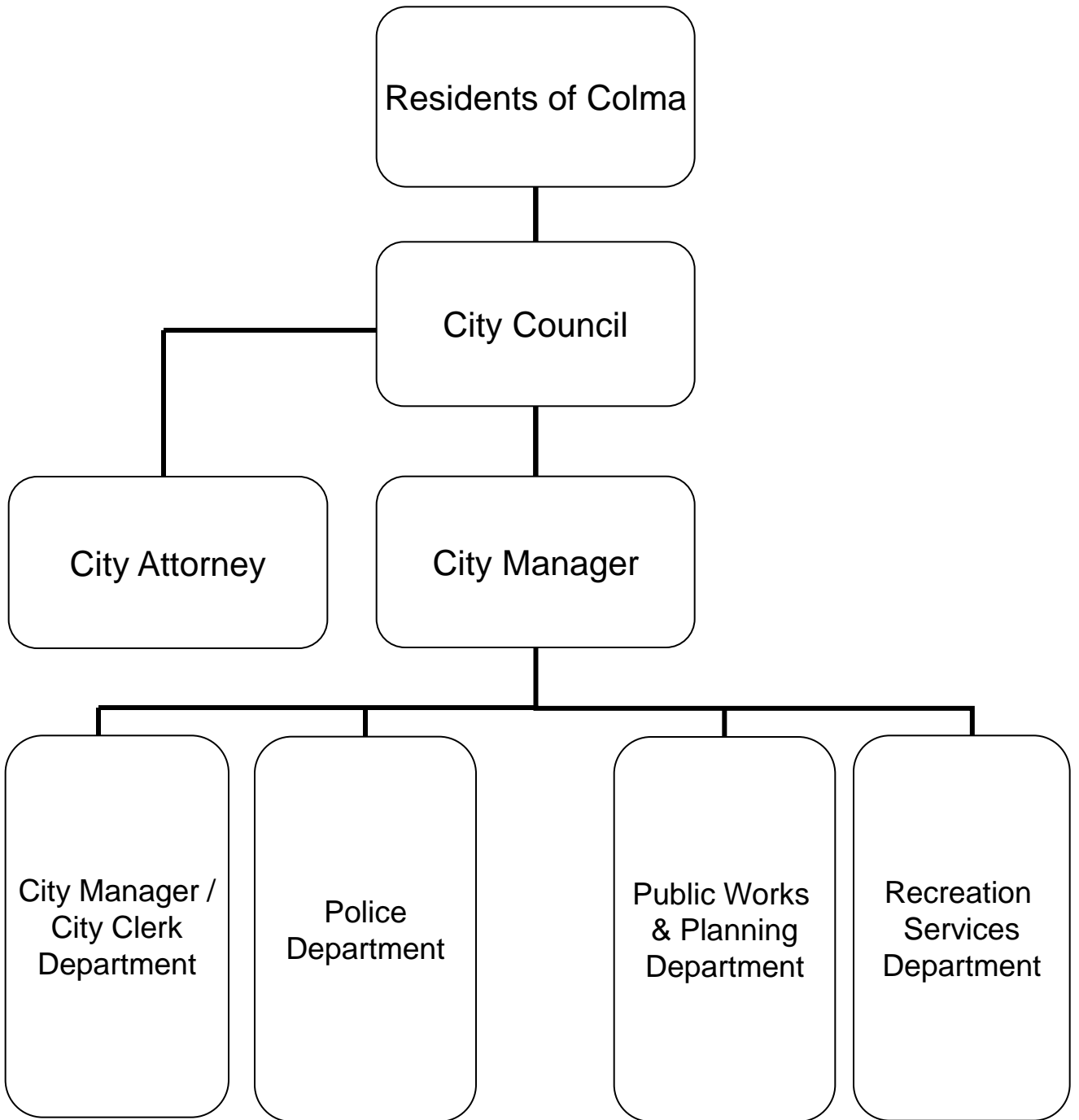
Appointed City Officials

City Manager	Brian Dossey
Chief of Police	Kirk Stratton
Administrative Services Director	Pak Lin

Other Key City Services Under Contract

Legal Services	Best, Best & Krieger
Planning Services	CSG Consultants
Engineering Services	CSG Consultants
Building Official Services	CSG Consultants

Town of Colma



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, 2019, 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, 2019, 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, Local Government's Proportionate Share of Net Pension Liability, and Schedules of Contributions (page 44-50) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 Town of Colma'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
January 21, 2020

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

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, 2019. Please read this document in conjunction with the accompanying basic financial statements.

FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2019 include the following:

Entity-wide:

- The Town's total net position was \$65,382,820 as of June 30, 2019, \$62,857,190 in Governmental Activities and \$2,525,630 in Business-Type Activities.
- Entity-wide revenues for Business-Type Activities was \$3,619,946 and for Governmental Activities was \$18,942,955, which includes program revenues of \$1,071,110 and general revenues of \$17,871,845.
- Entity-wide expenses for Governmental and Business-Type Activities were \$19,868,868 and \$1,904,316, respectively.

Fund Level:

- Governmental Fund balances decreased \$3,941,047 in fiscal year 2019 due to the Town's supplemental contribution of \$2.05 million towards pension trusts – \$1.00 to CalPERS and \$1.05 to 115 Pension Trust, and due to drawing down on the capital fund reserve to complete the Town Hall Campus Renovation Project.
- Governmental Fund revenues decreased \$196,615 in fiscal year 2019 due to recording sewer fee revenues of \$824,239 in the Enterprise Fund rather than in General Fund.
- Governmental Fund expenditures decreased \$743,550 in fiscal year 2019 due to recording \$932,502 sewer operating cost in the Enterprise Fund.

General Fund:

- General Fund revenues were \$350,937 lower than the prior year due to the creation of two Enterprise Funds for Sewer and Town Properties. Sewer Fees of \$824,239 and Town Properties of \$194,131 were recorded in the respective Enterprise Funds, rather than in the General Fund as prior years.
- General Fund expenditures represented an increase of \$1,703,642 from the prior year due to the \$2.05 million contribution towards pension trusts, with \$1.00 to CalPERS as supplemental payments and \$1.05 to a separate 115 trust.
- General Fund's fund balance of \$25,182,278 as of June 30, 2019, was \$726,065 greater than fiscal year 2018's ending fund balance of \$24,456,213.

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.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

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.

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 further in the following section 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.
- Business-type Activities – The Town's enterprise activities of the Town Properties Fund and the Sewer Fund are reported in this area. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

These statements provide additional detail for the Town's most significant Funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds used by the Town can be divided into two categories: Governmental funds and Proprietary funds.

Governmental funds: Governmental funds are used to account for the same functions reported as governmental activities on the Government-wide financial statements. However, this reporting has a focus on the near-term inflows and outflows of spendable resources, as well as the ending balances. The Town has a total of eleven governmental funds.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

The Fund Financial Statements provide detailed information about each of the Town's most significant funds, called 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 accordance with government finance reporting standards, the General Fund is always reported as a Major Fund. Based on these standards the Town Hall COP Project Fund is also a Major Fund for the year ended June 30, 2019. 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 (Measure A Transportation Tax Fund; State Gas Tax Fund; Law Enforcement Grant Fund; Debt Service Fund and five others).

Proprietary fund: The Town maintains two types of Proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its Sewer and Town Properties Funds. An Internal Services Fund (ISF) is an accounting device used to accumulate and allocate costs internally among the Town's various operating functions. In this case it is used to build up reserves for future replacement of vehicles and fleet equipment. These services solely benefit the government function. A separate Statement of Net Position and Statement of Cash Flow is included for the ISF.

The Town's two Enterprise Funds are reported as Major Funds.

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 and 2 focus on the Town's Statement of Net Position and Statement of Activities.

As shown below, the net position for governmental activities:

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2019

Table 1 Statement of Net Position at June 30,
 (Amounts in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 30.87	\$ 36.64	\$ 0.12	\$ -	\$ 30.99	\$ 36.64
Capital assets, net of accumulated depreciation	58.00	55.79	2.42	-	60.42	55.79
Total assets	88.87	92.43	2.54	-	91.41	92.43
Deferred outflows	6.84	5.47	-	-	6.84	5.47
Current liabilities	1.45	3.25	0.01	-	1.46	3.25
Long-term liabilities	29.35	30.60	-	-	29.35	30.60
Total liabilities	30.80	33.85	0.01	-	30.81	33.85
Deferred inflows	2.06	0.27	-	-	2.06	0.27
Net position:						
Invested in capital assets, net of debt	53.21	50.89	2.43	-	55.64	50.89
Unrestricted	9.64	12.89	0.10	-	9.74	12.89
Total net position	\$ 62.85	\$ 63.78	\$ 2.53	\$ -	\$ 65.38	\$ 63.78

Table 2 Change in Net Position at June 30,
 (Amounts in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 0.39	\$ 1.70	\$ 1.02	-	\$ 1.41	\$ 1.70
Operating grants and contributions	0.24	0.23	-	-	0.24	0.23
Capital grants and contributions	0.44	0.28	-	-	0.44	0.28
Total program revenues	1.07	2.21	1.02	-	2.09	2.21
General revenues:						
Taxes	17.36	16.49	-	-	17.36	16.49
Other revenues	0.02	0.11	-	-	0.02	0.11
Use of money and property	0.68	0.42	-	-	0.68	0.42
Total general revenues	18.06	17.02	-	-	18.06	17.02
Total revenues	19.13	19.23	1.02	-	20.15	19.23
Expenses:						
General government	4.74	3.16	-	-	4.74	3.16
Public safety	7.71	7.88	-	-	7.71	7.88
Public works	5.67	4.26	1.09	-	6.76	4.26
Planning	0.32	0.44	-	-	0.32	0.44
Recreation	1.25	1.21	-	-	1.25	1.21
Interest	0.18	0.18	-	-	0.18	0.18
Total expenses	19.87	17.13	1.09	-	20.96	17.13
Other financing items:						
Net transfers in/(out)	(0.19)	-	0.19	-	-	-
Total other financing items	(0.19)	-	0.19	-	-	-
Change in net position	\$ (0.93)	\$ 2.10	\$ 0.12	\$ -	\$ (0.81)	\$ 2.10

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

ENTITY-WIDE GOVERNMENTAL ACTIVITIES

As of June 30, 2019, the Town's governmental net position amounted to \$62,857,190, a decrease of \$925,913 from 2018. The main contributor of the decrease is resulted from additional contribution into the Town's pension trusts in an effort to reduce unfunded liabilities.

Statement of Net Position (Table 1)

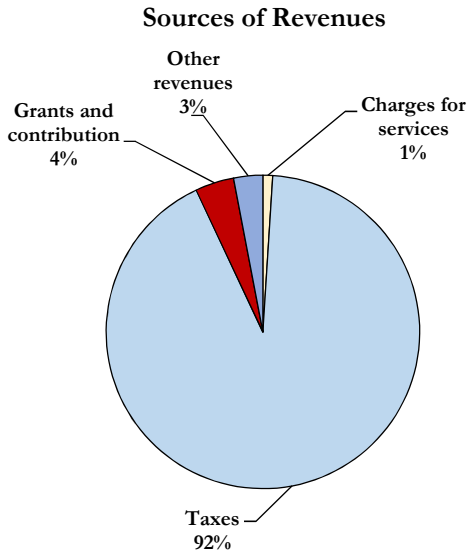
The Town's total net position as of June 30, 2019 for governmental activities are comprised the following:

- Cash and investments was \$28,200,303. The Town held all investments in the county (SMCIF) and state (LAIF) pools as detailed in Note 4A to the financial statements.
- Other assets of \$2,676,319 are explained in Note 4B to the financial statements.
- Capital assets of \$57,999,320, net of depreciation charges, included 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, totaling \$1,453,182.
- Long-term liabilities payable of \$29,349,079, as explained in Note 4E to the financial statements. The increase in long-term liabilities is due to the increase in the net pension liability and net OPEB liability.
- Net position invested in capital assets, net of related debt, of \$53,214,320, representing the Town's investment in capital assets used, 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 \$9,642,870 of unrestricted net position.

Changes in Net Position (Table 2)

For fiscal year 2018-19, the Town's revenues for governmental activities totaled \$19,128,435 and expenditures totaled \$19,868,868. The Town also subsidized the sewer operations with a transfer of \$185,480.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2019



As the Sources of Revenues Chart shows, \$17,359,426, or 92%, of the Town's fiscal year 2019 governmental activities revenue came from taxes, while \$679,830, or 4%, came from grants and contributions, \$391,280, or 2%, came from charges for services, and \$697,899, or 3%, came from other revenues.

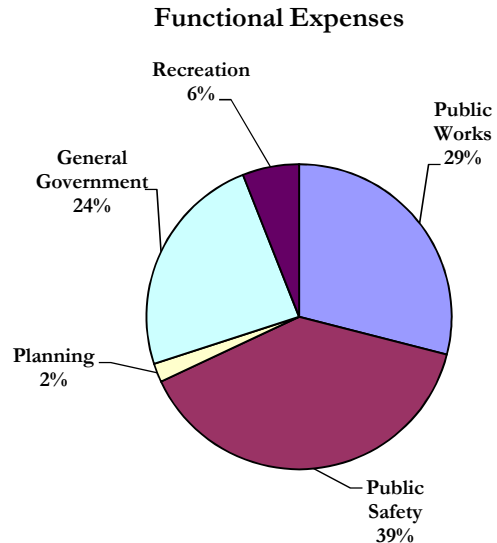
Program revenues (see Table 2 above) totaled \$1,071,110, or 6%, of the Town's fiscal year 2019 governmental revenue and \$17,871,845, or 94%, came from general revenues such as taxes, interest and miscellaneous receipts.

Program revenues were composed of charges for services of \$391,280 which include permit revenues, fees and charges used to fund expenses incurred in providing services; and grants and contributions of \$679,830, which consists mainly of revenue from other agencies.

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 \$4,735,196, or 24%, of total government expenses, planning is \$315,743, or 2%, public works is \$5,673,752, or 29%, public safety is \$7,711,938, or 39%, recreation is \$1,250,971, or 6%.

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

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, 2019

ENTITY-WIDE BUSINESS-TYPE ACTIVITIES

The Statement of Net Position (table 1 above) and Change in Net Position (table 2 above) present a summary of the Town's Business-type Activities that are composed of the Town's enterprise funds. This is the first fiscal year business-type activities is reported.

Statement of Net Position (Table 1)

As of June 30, 2019, the net position for business-type activities was \$2,525,630 and were comprised of the following:

- Cash and investments was \$88,857. More information is provided in Note 4A to the financial statements.
- Other assets of \$27,590 are explained in Note 4B to the financial statements.
- Capital assets of \$2,423,416 includes assets transfer from governmental activities to business-type activities in the amount of \$2,416,096 (net of depreciation), included all the Town's capital assets used in business-type activities as discussed in Note 4C.
- Current liabilities totaled \$14,233.
- Unrestricted net position of \$102,214 are reserved for future enterprise operating and maintenance cost.

Change in Net Position (Table 2)

- Total program revenues of \$1,017,547 comprised of \$824,239 in sewer fees, which is passed through to the City of Daly City and South San Francisco for sewer treatment cost, and \$193,308 in rental revenues from Creekside Villas and 1365 Mission Road properties.
- Total expenses of \$1,094,316 comprised of \$932,502 in sewer operation and \$161,814 in town properties management. Of the \$932,502 in sewer expenses, \$897,791 is related to sewer treatment and the rest in infrastructure maintenance.

ANALYSES OF MAJOR FUNDS

Governmental Funds

The focus of the governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For fiscal year 2018-19, the Town's major funds included the general fund and capital improvement fund. Special revenues, debt, and street capital funds are reported as Other Governmental Funds.

GENERAL FUND:

At June 30, 2019, the Town's general funds reported combined ending balances of \$25,182,278, an increase of \$726,063. General Fund revenues of \$18,394,615 decreased by \$350,937 this fiscal year. The creation of Sewer and Town Properties enterprise funds resulted in \$1,017,547 of revenues recorded in the enterprise funds, rather than the general fund. The impact of this reporting change is offset by stronger sales tax, cardroom tax, and use of money and property revenues than the prior year.

Overall, general fund expenditures of \$16,386,497 increased by \$1,703,642 from the prior year. The main driver of the increase is the \$2.05 million supplemental contribution into the Town's pension trusts.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

CAPITAL IMPROVEMENT FUND:

As of June 30, 2019, the Fund had a balance of \$1,310,417. During the year, \$5,459,947 in expenditures were accounted for in the fund. The fund received transfers from the General Fund totaling \$675,000.

OTHER GOVERNMENTAL FUNDS:

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

Proprietary Funds

Town Properties Fund: As of June 30, 2019, the Fund had a balance of \$2,295,357.

Sewer Fund: As of June 30, 2019, the Fund had a balance of \$230,273.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget process began after the mid-year financial update presentation to the Town Council. The Finance Department facilitates the development and consolidate inputs from all Town departments. The consolidated budget inputs are reviewed by the Town Manager and presented to the Town Council in two budget study session. A balanced budget is adopted by June 30 of each year. During the year, budget adjustments are brought before the Town Council for consideration and to amend the budget. Additionally, the Department monitors the budget during the year and the Finance Department prepares a quarterly financial update to the Town Council. As part of this mid-year financial update, budget amendments are proposed to address any significant economic concerns and to incorporate prior Town Council actions that had changed appropriation or for reallocation of budget items.

A comparison of General Fund Budget to Actual can be found in the Required Supplemental Information section after Notes to the Financial Statements. Below is a summary of the major changes in budget and major variance between budget and actual.

ORIGINAL BUDGET COMPARED TO FINAL BUDGET

For fiscal year 2018-19, the Town Council adopted resolution to create enterprise funds for sewer operations and Town properties rental activities. In creating the funds, revenue budget was reduced by \$1,015,000 and expenditure budget was decreased by \$1,065,160. Additionally, the Town Council adopted resolution to make \$2.05 million supplemental contributions to address the Town's unfunded pension liabilities - \$1.05 million directly to CalPERS and \$1.0 million to 115 Pension Trust.

FINAL BUDGET COMPARED TO ACTUAL

Overall, general fund revenues exceeded budget by \$860,293. The three main contributors are sales tax, cardroom tax, and interest earnings. Fiscal year 2018-19 sales taxes revenues include a one-time sales tax distribution from the prior fiscal year due to the delay in tax payment by the State. Cardroom tax exceeded budgeted projection by \$275,957. Cardroom revenues are unpredictable and the Town budgets minimal growth in this revenue stream to ensure there are adequate revenues to cover operations. Interest earnings are driven by market condition. Since the Town held all investment in governmental pools, the funds are more sensitive to market fluctuation. In fiscal year 2018-19, the stock market for bonds and short-term securities performed better than expected.

General fund expenditure of \$16,386,497 is \$1,151,048 below final budget. Vacancies and project delays are the main cause of under spending.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2019

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 2019, 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 2019 the cost of infrastructure and other capital assets recorded on the Town's financial statements is shown in Table 3 below:

Table 3
Capital Assets at Year-end

	Balance at June 30, 2019
<u>Governmental Activities</u>	
Land	\$ 6,589,376
Construction in progress	19,202,604
Infrastructure-street systems	26,364,634
Buildings	17,179,024
Improvements other than buildings	3,246,468
Machinery and equipment	2,563,550
Less: accumulated depreciation	(17,146,336)
Governmental activity capital assets, net	\$ 57,999,320
 <u>Business-type Activities</u>	
Land	\$ 1,006,095
Construction in progress	218,541
Infrastructure	161,075
Buildings	2,560,156
Less: accumulated depreciation	(1,522,451)
Business-type activity capital assets, net	\$ 2,423,416

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 certificates of participation (COP) in fiscal year 2016 in the amount of \$5,300,000. Additional information about the Town's long-term obligations can be found in Note 4E to the basic financial statements.

As of June 30, 2019, the Town's debt issues comprised:

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2019

Table 4
Outstanding Debt

	June 30, 2019
<u>Governmental Activity Debt:</u>	
Certificates of Participation	\$ 4,785,000
Net Other Post-Employment Benefit Obligation	12,868,954
Net Pension Liability	10,498,331
Compensated absences	1,478,088
Total	\$ 29,630,373

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Colma is the smallest municipality in San Mateo County with 1,509 residents. The two most significant sources of annual revenue are retail sales tax and cardroom taxes. These two sources of revenue accounted for approximately 92% of the total revenue in government funds in the year ending June 30, 2019. The reliance on sales and cardroom taxes makes the Town of Colma vulnerable to changes in consumer spending. The Town is closely monitoring sales tax trends and rely on an audit firm to review cardroom receipts.

For the upcoming year, the Town is expecting sales tax and cardroom tax to flatten. The shift from in-store to online sales continued to grow and the plateau in auto sales, resulting in the flattening on sales tax revenues. Nationally, cardroom and gambling activities have increased year over year but the threat to the cardroom in Town can change unexpectedly. Threats include changes in customer's behavior or law changes on allowable cardroom games can drastically influence the revenues generated by the local cardroom.

The Operating Budget for FY 2019-20 provides \$16,971,516 in funding to operating departments – a decrease of \$565,969 from the FY 2018-19 amended budget of \$17,537,545. Major changes included:

- Supplemental pension contribution of \$2.05 million was only approved in fiscal year 2018-19 as an initial unfunded liabilities funding plan. The supplemental contribution in FY 2019-20 was less than \$0.5 million.
- Negotiated pay increases as all union agreements came due on June 30, 2019.
- Medical benefit cost increases.
- Public Employee Retirement System (PERS) increases.
- Contributing the annual Actuarial Required Contribution (ARC) to a benefits trust which funds retiree medical benefits.

These increases were partially offset by decreases on other accounts throughout the budget. Also, beyond the Operating Department Budgets, in the 2019-20 Budget the Town will transfer \$1,317,000 in resources from the General Fund towards important capital improvement projects, \$297,369 towards debt services and \$160,700 as sewer subsidy.

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, 2019

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 28,200,303	\$ 88,857	\$ 28,289,160
Receivables:			
Taxes	2,143,278	-	2,143,278
Accounts	531,096	27,590	558,686
Accrued interest	1,945	-	1,945
Total current assets	<u>30,876,622</u>	<u>116,447</u>	<u>30,993,069</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	25,791,980	1,224,636	27,016,616
Depreciable, net of accumulated depreciation	<u>32,207,340</u>	<u>1,198,780</u>	<u>33,406,120</u>
Total noncurrent assets	<u>57,999,320</u>	<u>2,423,416</u>	<u>60,422,736</u>
Total assets	<u>88,875,942</u>	<u>2,539,863</u>	<u>91,415,805</u>
<u>DEFERRED OUTFLOWS</u>			
Deferred outflows related to OPEB	2,638,082	-	2,638,082
Deferred outflows related to pensions	<u>4,204,295</u>	<u>-</u>	<u>4,204,295</u>
Total deferred outflows	<u>6,842,377</u>	<u>-</u>	<u>6,842,377</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued expenses	1,037,300	14,233	1,051,533
Deposits	134,588	-	134,588
Compensated absences	166,294	-	166,294
Certificates of participation due in one year	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Total current liabilities	<u>1,453,182</u>	<u>14,233</u>	<u>1,467,415</u>
Noncurrent liabilities due in more than one year:			
Compensated absences	1,311,794	-	1,311,794
Certificates of participation	4,670,000	-	4,670,000
Net pension liability	10,498,331	-	10,498,331
Net other post-employment benefit obligation	<u>12,868,954</u>	<u>-</u>	<u>12,868,954</u>
Total noncurrent liabilities	<u>29,349,079</u>	<u>-</u>	<u>29,349,079</u>
Total liabilities	<u>30,802,261</u>	<u>14,233</u>	<u>30,816,494</u>
<u>DEFERRED INFLOWS</u>			
Deferred inflows related to OPEB	1,681,267	-	1,681,267
Deferred inflows related to pensions	<u>377,601</u>	<u>-</u>	<u>377,601</u>
Total deferred inflows	<u>2,058,868</u>	<u>-</u>	<u>2,058,868</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	53,214,320	2,423,416	55,637,736
Unrestricted	<u>9,642,870</u>	<u>102,214</u>	<u>9,745,084</u>
Total net position	<u>\$ 62,857,190</u>	<u>\$ 2,525,630</u>	<u>\$ 65,382,820</u>

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

Town of Colma
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<u>Town Government</u>							
Governmental activities:							
General government	\$ 4,735,196	\$ -	\$ 12,107	\$ -	\$ (4,723,089)		\$ (4,723,089)
Public safety	7,711,938	25,417	131,307	148,778	(7,406,436)		(7,406,436)
Public works	5,673,752	167,165	94,107	293,531	(5,118,949)		(5,118,949)
Recreation	1,250,971	83,662	-	-	(1,167,309)		(1,167,309)
Planning	315,743	115,036	-	-	(200,707)		(200,707)
Interest on long-term debt	181,268	-	-	-	(181,268)		(181,268)
Total governmental activities	<u>19,868,868</u>	<u>391,280</u>	<u>237,521</u>	<u>442,309</u>	<u>(18,797,758)</u>		<u>\$ (18,797,758)</u>
Business-type activities:							
City Properties	161,814	193,308	-	2,263,040		\$ 2,294,534	2,294,534
Sewer	932,502	824,239	-	153,056		44,793	44,793
Total business-type activities	<u>1,094,316</u>	<u>1,017,547</u>	<u>-</u>	<u>2,416,096</u>		<u>2,339,327</u>	<u>2,339,327</u>
Total	<u>\$ 20,963,184</u>	<u>\$ 1,408,827</u>	<u>\$ 237,521</u>	<u>\$ 2,858,405</u>	<u>(18,797,758)</u>	<u>2,339,327</u>	<u>(16,458,431)</u>
General revenues:							
Taxes:							
Property taxes					640,080	-	640,080
Sales taxes					12,066,527	-	12,066,527
Cardroom taxes					4,520,957	-	4,520,957
Other taxes					131,862	-	131,862
Use of money and property					679,643	823	680,466
Transfers					(185,480)	185,480	-
Other revenues					18,256	-	18,256
Total general revenues and special items					<u>17,871,845</u>	<u>186,303</u>	<u>18,058,148</u>
Change in net position					(925,913)	2,525,630	1,599,717
Net position beginning of period					<u>63,783,103</u>	<u>-</u>	<u>63,783,103</u>
Net position ending of period					<u>\$ 62,857,190</u>	<u>\$ 2,525,630</u>	<u>\$ 65,382,820</u>

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

Town of Colma
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2019

	General Fund	Town Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 23,274,763	\$ 1,811,457	\$ 2,479,153	\$ 27,565,373
Taxes receivable	2,143,278	-	-	2,143,278
Accounts receivable	506,354	518	24,224	531,096
Accrued interest receivable	1,945	-	-	1,945
Total assets	\$ 25,926,340	\$ 1,811,975	\$ 2,503,377	\$ 30,241,692
<u>LIABILITIES</u>				
Accounts payable	\$ 110,746	\$ 501,558	\$ 92,562	\$ 704,866
Accrued expenditures	332,434	-	-	332,434
Compensated absences	166,294	-	-	166,294
Deposits	134,588	-	-	134,588
Total liabilities	744,062	501,558	92,562	1,338,182
<u>FUND BALANCES</u>				
Committed	13,250,000	-	-	13,250,000
Unassigned	10,982,278	-	-	10,982,278
Assigned	950,000	1,310,417	2,410,815	4,671,232
Total fund balances	25,182,278	1,310,417	2,410,815	28,903,510
Total liabilities and fund balances	\$ 25,926,340	\$ 1,811,975	\$ 2,503,377	\$ 30,241,692
Total governmental fund balances				\$ 28,903,510
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.				57,999,320
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.				634,930
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.				(24,680,570)
Net position of governmental activities				\$ 62,857,190

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, 2019

	General Fund	Town Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Property taxes	\$ 640,080	\$ -	\$ -	\$ 640,080
Sales taxes	12,066,527	-	-	12,066,527
Cardroom taxes	4,520,957	-	-	4,520,957
Other taxes	131,862	-	-	131,862
Licenses and permits	123,626	-	-	123,626
Fines and forfeits	103,519	-	-	103,519
Intergovernmental	68,538	50,000	475,769	594,307
Use of money and property	559,860	68,824	39,377	668,061
Other revenues	56,430	3,378	-	59,808
Charges for services	123,216	-	-	123,216
Total revenues	<u>18,394,615</u>	<u>122,202</u>	<u>515,146</u>	<u>19,031,963</u>
<u>EXPENDITURES</u>				
Current:				
General government	4,729,796	-	5,400	4,735,196
Public safety	8,233,894	-	188,506	8,422,400
Public works	1,856,093	5,459,947	450,912	7,766,952
Recreation	1,250,971	-	-	1,250,971
Planning	315,743	-	-	315,743
Debt service:				
Principal	-	-	115,000	115,000
Interest	-	-	181,268	181,268
Total expenditures	<u>16,386,497</u>	<u>5,459,947</u>	<u>941,086</u>	<u>22,787,530</u>
Excess (deficiency) of revenues over expenditures	<u>2,008,118</u>	<u>(5,337,745)</u>	<u>(425,940)</u>	<u>(3,755,567)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	675,000	2,657,131	3,332,131
Transfers out	<u>(1,282,053)</u>	<u>(2,042,058)</u>	<u>(193,500)</u>	<u>(3,517,611)</u>
Total other financing sources (uses)	<u>(1,282,053)</u>	<u>(1,367,058)</u>	<u>2,463,631</u>	<u>(185,480)</u>
Net change in fund balances	726,065	(6,704,803)	2,037,691	(3,941,047)
Fund balances, beginning of period	<u>24,456,213</u>	<u>8,015,220</u>	<u>373,124</u>	<u>32,844,557</u>
Fund balances, end of period	<u>\$ 25,182,278</u>	<u>\$ 1,310,417</u>	<u>\$ 2,410,815</u>	<u>\$ 28,903,510</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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (3,941,047)

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

CAPITAL ASSET TRANSACTIONS

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 (\$1,199,518) exceeds capital outlays and transfers \$3,406,151 in the current period. 2,206,633

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. -

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 115,000

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal service funds are closed by charging additional amounts or reducing charges to participating governmental activities to completely cover the internal service funds costs for each year (16,961)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the statement of activities 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	(77,074)
Pension expense	416,928
OPEB expense	<u>370,608</u>

Net difference	<u>3,015,134</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (925,913)</u></u>
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The accompanying notes are an integral part of these financial statements.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF NET POSITION
 June 30, 2019

	<u>Sewers</u>	<u>Town Properties</u>	<u>Totals</u>		<u>Governmental Activities Internal Service Fund</u>
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 24,760	\$ 64,097	\$ 88,857	\$	634,930
Accounts receivable	-	27,590	27,590	-	-
Total current assets	<u>24,760</u>	<u>91,687</u>	<u>116,447</u>	<u>634,930</u>	<u>634,930</u>
Noncurrent assets:					
Capital assets:					
Buildings	-	2,560,156	2,560,156	-	-
Land	-	1,006,095	1,006,095	-	-
Infrastructure	161,075	-	161,075	-	-
Construction in progress	218,541	-	218,541	-	-
Accumulated depreciation	(161,075)	(1,361,376)	(1,522,451)	-	-
Total capital assets	<u>218,541</u>	<u>2,204,875</u>	<u>2,423,416</u>	<u>-</u>	<u>-</u>
Total assets	<u>243,301</u>	<u>2,296,562</u>	<u>2,539,863</u>	<u>634,930</u>	<u>634,930</u>
<u>LIABILITIES</u>					
Accounts payable	<u>13,028</u>	<u>1,205</u>	<u>14,233</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>13,028</u>	<u>1,205</u>	<u>14,233</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>					
Investment in capital assets	218,541	2,204,875	2,423,416	-	-
Unrestricted	<u>11,732</u>	<u>90,482</u>	<u>102,214</u>	<u>634,930</u>	<u>634,930</u>
Total net position	<u>\$ 230,273</u>	<u>\$ 2,295,357</u>	<u>\$ 2,525,630</u>	<u>\$ 634,930</u>	<u>\$ 634,930</u>

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

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
 For the Year Ended June 30, 2019

	Sewers	Town Properties	Totals	Governmental Activities Internal Service Fund
Operating revenues:				
Charges for services	\$ 824,239	\$ 193,308	\$ 1,017,547	\$ 80,510
Total operating revenues	<u>824,239</u>	<u>193,308</u>	<u>1,017,547</u>	<u>80,510</u>
Operating expenses:				
Materials, supplies, rent and services	932,502	103,649	1,036,151	113,433
Depreciation	-	58,165	58,165	-
Total operating expenses	<u>932,502</u>	<u>161,814</u>	<u>1,094,316</u>	<u>113,433</u>
Operating income (loss)	<u>(108,263)</u>	<u>31,494</u>	<u>(76,769)</u>	<u>(32,923)</u>
Non-operating revenues (expenses):				
Interest and other income	-	823	823	11,582
Sale of property	-	-	-	4,380
Total non-operating revenues (expenses)	<u>-</u>	<u>823</u>	<u>823</u>	<u>15,962</u>
Contributions and transfers				
Transfers in	185,480	-	185,480	-
Transfers out	-	-	-	-
Capital contributions	153,056	2,263,040	2,416,096	-
Net contributions and transfers	<u>338,536</u>	<u>2,263,040</u>	<u>2,601,576</u>	<u>-</u>
Change in net position	230,273	2,295,357	2,525,630	(16,961)
Net position, beginning of period	-	-	-	651,891
Net position, end of period	<u>\$ 230,273</u>	<u>\$ 2,295,357</u>	<u>\$ 2,525,630</u>	<u>\$ 634,930</u>

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

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2019

	Sewers	Town Properties	Totals	Governmental Activities Internal Service Fund
Cash flows from operating activities:				
Receipts from other funds for services	\$ 824,239	\$ 165,718	\$ 989,957	\$ 80,510
Payments to suppliers	(919,474)	(102,444)	(1,021,918)	(113,433)
Net cash provided (used) by operating activities	(95,235)	63,274	(31,961)	(32,923)
Cash flows from investing activities:				
Interest and other income	-	823	823	11,582
Net cash provided by investing activities	-	823	823	11,582
Cash flows from capital and related financing activities				
Capital contributions	153,056	2,263,040	2,416,096	-
Capital acquisitions	(218,541)	(2,263,040)	(2,481,581)	-
Transfers	185,480	-	185,480	-
Sale of property	-	-	-	4,380
Net cash provided by capital and related financing activities	119,995	-	119,995	4,380
Net increase (decrease) in cash and cash equivalents	24,760	64,097	88,857	(16,961)
Cash and cash equivalents - beginning of period	-	-	-	651,891
Cash and cash equivalents - end of period	<u>\$ 24,760</u>	<u>\$ 64,097</u>	<u>\$ 88,857</u>	<u>\$ 634,930</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:				
Operating income (loss)	<u>\$ (108,263)</u>	<u>\$ 31,494</u>	<u>\$ (76,769)</u>	<u>\$ (32,923)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	58,165	58,165	-
Changes in certain assets and liabilities:				
Accounts receivable	-	(27,590)	(27,590)	-
Accounts payable	13,028	1,205	14,233	-
Net cash provided by (used for) operating activities	<u>\$ (95,235)</u>	<u>\$ 63,274</u>	<u>\$ (31,961)</u>	<u>\$ (32,923)</u>

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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 Town 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. Entity-wide and Fund Financial Statements

The entity-wide financial statements (i.e., the statement of net position and the statement of activities) 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 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.

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 funds:

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

Capital Improvement Fund accounts for resources transferred from the General Fund to complete capital improvement projects.

The Town reports the following major proprietary funds:

Town Properties Fund - accounts for the activities of the Town's housing program.

Sewer Fund - accounts for the activities of the Town's sewer service.

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.

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.

Additionally, the Town reports the following fund type:

The Internal Service Fund is used to account for the replacement of the Town's fleet and associated equipment provided to other Town departments on a cost reimbursement basis.

Amounts reported as program revenues include 1) charges to customers and applicants, for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for sales and services.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Operating expenses for enterprise funds include salaries and employee benefits, maintenance and operation of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

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".

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 each installment becomes delinquent after December 10 and April 10, respectively. 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

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 that arise from employee retirements.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Town recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Town that is applicable to a future reporting period.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Colma's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 position.

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:

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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

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.

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

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	\$ 75,145,656
Less: accumulated depreciation	(17,146,336)
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 57,999,320</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 are as follows:

Long-Term Debt Obligations:	
Deferred outflows – pension	\$ 4,204,295
Deferred outflows – OPEB	2,638,082
Deferred inflows – pension	(377,601)
Deferred inflows – OPEB	(1,681,267)
Compensated absences	(1,311,794)
Certificates of participation	(4,785,000)
Net other post-employment benefit obligation	(12,868,954)
Net pension liability	(10,498,331)
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (24,680,570)</u>

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	\$ 5,822,247
Capital transfers	(2,416,096)
Depreciation expense	(1,199,518)
Internal service fund	(16,961)
Compensated absences	(77,074)
Certificates of participation	115,000
Pension expense	416,928
Net other post-employment benefit obligation (OPEB)	370,608
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>\$ 3,015,134</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

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 Town Manager so that a budget may be prepared. Before June 30, the proposed budget is presented to the Town Council for review. The Town 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

The Town maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees.

The following is a summary of cash and investments at June 30, 2019:

	Governmental Activities	Business-Type Activities	Maturity 12 months or less
Demand deposits	\$ 5,788,030	\$ 88,857	\$ 5,876,887
Cash and investments with fiscal agent	79	-	79
Local Agency Investment Fund (LAIF)	5,048,403	-	5,048,403
San Mateo County Treasurer's Investment Pool	17,363,791	-	17,363,791
Total	\$ 28,200,303	\$ 88,857	\$ 28,289,160

The Town's total cash and investments consisted of:

Unrestricted	\$ 28,289,081
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Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the Town's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the above table that shows the distribution of the Town's investments by maturity or earliest call date.

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

As of June 30, 2019, the Town holds \$2,541 in unexpended proceeds from the Certificates of Participation, which were included in Cash and Investments recorded in the Capital Projects Fund. These restricted funds are spent on project costs as defined in the underlying indenture.

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. 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.

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, which 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, 2019, 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.

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (concluded)

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2019:

<u>Investment Type</u>	<u>Level 2</u>	<u>Exempt</u>	<u>Total</u>
California Local Agency Investment Fund	\$ 5,048,403	\$ -	\$ 5,048,403
San Mateo Co. Treasurer's Investment Pool	17,363,791	-	17,363,791
Held by Trustees:			
U.S. Treasury Notes	<u>79</u>	<u>-</u>	79
Total investments	<u>\$ 22,412,273</u>	<u>\$ -</u>	<u>22,412,273</u>
Cash in banks and on hand			<u>5,876,887</u>
Total cash and investments			<u>\$ 28,289,160</u>

The California Local Agency Investment Fund (LAIF) classified in Level 2 of the fair value hierarchy, is valued using quoted prices for a non-active market portfolio at fiscal year-end. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2019 are provided by Standard and Poor's except as noted.

<u>Investment Type</u>	<u>Total</u>
Money Market Mutual Funds	\$ -
Not rated:	
California Local Agency Investment Fund	5,048,403
San Mateo County Treasurer's Investment Pool	17,363,791
Cash in banks and on hand	5,876,887
Exempt from rating requirement:	
U.S. Treasury Notes	<u>79</u>
Total cash and investments	<u>\$ 28,289,160</u>

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>Town Properties</u>	<u>Total</u>
Receivables:				
Interest	\$ 1,945	\$ -	\$ -	\$ 1,945
Taxes	2,143,278	-	-	2,143,278
Accounts	<u>506,354</u>	<u>24,742</u>	<u>27,590</u>	<u>558,686</u>
Net total receivables	<u>\$ 2,651,577</u>	<u>\$ 24,742</u>	<u>\$ 27,590</u>	<u>\$ 2,703,909</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2019 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	\$ -	\$ 1,006,095	\$ 6,589,376
Construction in progress	<u>13,643,658</u>	<u>5,712,002</u>	<u>153,056</u>	<u>19,202,604</u>
Total capital assets, not being depreciated	<u>21,239,129</u>	<u>5,712,002</u>	<u>1,159,151</u>	<u>25,791,980</u>
Capital assets, being depreciated				
Buildings	19,507,124	-	2,328,100	17,179,024
Improvements other than buildings	3,478,524	-	232,056	3,246,468
Machinery and equipment	2,518,022	110,245	64,717	2,563,550
Infrastructure - street systems	<u>26,525,709</u>	<u>-</u>	<u>161,075</u>	<u>26,364,634</u>
Total capital assets, being depreciated	<u>52,029,379</u>	<u>110,245</u>	<u>2,785,948</u>	<u>49,353,676</u>
Less accumulated depreciation for:				
Buildings	(5,294,312)	(327,570)	(1,303,211)	(4,318,671)
Improvements other than buildings	(2,205,598)	(162,628)	-	(2,368,226)
Machinery and equipment	(1,647,128)	(211,141)	(64,717)	(1,793,552)
Infrastructure - street systems	<u>(8,328,783)</u>	<u>(498,179)</u>	<u>(161,075)</u>	<u>(8,665,887)</u>
Total accumulated depreciation	<u>(17,475,821)</u>	<u>(1,199,518)</u>	<u>(1,529,003)</u>	<u>(17,146,336)</u>
Total capital assets, being depreciated, net	<u>34,553,558</u>	<u>(1,089,273)</u>	<u>1,256,945</u>	<u>32,207,340</u>
Governmental activities capital assets net	<u>\$55,792,687</u>	<u>\$ 4,622,729</u>	<u>\$ 2,416,096</u>	<u>\$57,999,320</u>

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

Governmental activities:	
Public works	<u>\$ 1,199,518</u>
Total depreciation expense - governmental activities	<u>\$ 1,199,518</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (concluded)

	Beginning Balances	Transfers & Additions	Retirements & Adjustments	Ending Balances
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ -	\$ 1,006,095	\$ -	\$ 1,006,095
Construction in progress	-	<u>218,541</u>	-	<u>218,541</u>
Total capital assets, not being depreciated:	-	<u>1,224,636</u>	-	<u>1,224,636</u>
Capital assets being depreciated:				
Buildings	-	2,560,156	-	2,560,156
Improvements	-	-	-	-
Machinery & equipment	-	-	-	-
Infrastructure	-	<u>161,075</u>	-	<u>161,075</u>
Total capital assets, being depreciated	-	<u>2,721,231</u>	-	<u>2,721,231</u>
Less accumulated depreciation for:				
Buildings	-	(1,361,376)	-	(1,361,376)
Improvements	-	-	-	-
Machinery & equipment	-	-	-	-
Infrastructure	-	<u>(161,075)</u>	-	<u>(161,075)</u>
Total accumulated depreciation	-	<u>(1,522,451)</u>	-	<u>(1,522,451)</u>
Business-type activities capital assets net	<u>\$ -</u>	<u>\$ 2,423,416</u>	<u>\$ -</u>	<u>\$ 2,423,416</u>

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

Business-type activities:	
Town properties	\$ <u>58,165</u>
Total depreciation expense - business-type activities	\$ <u>58,165</u>

D. Interfund Receivables, Payables and Transfers

Interfund transfers at June 30, 2019 were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,282,053
Debt service	301,614	-
Town Capital Project Fund	675,000	2,042,058
Housing Impact Fee	197,176	-
Street Capital	2,158,341	193,500
Sewers	<u>185,480</u>	-
Totals	<u>\$ 3,517,611</u>	<u>\$ 3,517,611</u>

The transfers out of the General Fund were made for the purpose of financing capital projects and debt service undertaken during the fiscal year.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 4 - DETAILED NOTES ON ALL FUNDS (concluded)

E. Long-Term Debt

Changes in Long-Term Liabilities - Long-term debt activity for the 2019 fiscal year was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Certificates of Participation	\$ 4,900,000	\$ -	\$ 115,000	\$ 4,785,000	\$ 115,000
Net OPEB	13,892,928	-	1,023,974	12,868,954	-
Net Pension Liability	10,682,188	-	183,857	10,498,331	-
Compensated absences	<u>1,403,507</u>	<u>74,581</u>	<u>-</u>	<u>1,478,088</u>	<u>166,294</u>
Totals	<u>\$30,878,623</u>	<u>\$ 74,581</u>	<u>\$ 1,322,831</u>	<u>\$29,630,373</u>	<u>\$ 281,294</u>

Certificates of Participation

On September 24, 2015, the Town issued \$5.3 million in Certificates of Participation through Stifel, Nicolaus & Company, Incorporated. The funds and debt service payments are administered under a Trustee Agreement with Bank of New York Mellon. This financing will be used to fund a portion of the Town Hall renovation project.

The annual requirements to amortize the debt outstanding as of June 30, 2019, including interest payments, are as follows:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 115,000	\$ 178,969	\$ 293,969
2021	120,000	174,369	294,369
2022	125,000	169,569	294,569
2023	130,000	164,569	294,569
2024	135,000	160,669	295,669
2025	135,000	156,619	291,619
2026	140,000	151,219	291,219
2027	145,000	146,319	291,319
2028	150,000	141,969	291,969
2029	155,000	137,281	292,281
2030-2045	<u>3,435,000</u>	<u>1,254,635</u>	<u>4,689,635</u>
Total	<u>\$ 4,785,000</u>	<u>\$ 2,836,187</u>	<u>\$ 7,621,187</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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 (PLAN), which provides a pooled risk sharing insurance program. The PLAN provides the Town with insurance coverage of \$15 million per loss for liability claims. The Town has a \$50,000 self-insurance retention limit similar to a deductible.

The PLAN insurance has two different layers of coverage. Layer 1 is a \$5 million self-insured layer shared by participants; Layer 2 is commercial excess insurance coverage for \$10 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 by the PLAN with the Town having a \$10,000 deductible. The PLAN provides the coverage using a self-insured pool to cover losses up to \$100,000. The PLAN purchases an insurance policy to cover losses above its \$100,000 self-insured retention with a per occurrence coverage for all members combined up to \$1 billion. Workers' compensation insurance is provided to the Town by EIA (Entity Insurance Authority) at statutory coverage limits, without a deductible. The Town had no significant changes in insurance coverage during the year. For the Fiscal Year ending June 30, 2019, the Town incurred liability claims expenses totaling \$73,362. There was one open claim as of June 30, 2019.

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.

C. Public Employees Retirement System

Plan Description - Based on PERS eligibility criteria all qualified permanent and probationary employees are eligible to participate in the Town's following cost-sharing multiple employer defined benefit pension plans (Plans):

- Town Miscellaneous (Tier 1)
- Town Miscellaneous (Tier 2)
- Town Miscellaneous (Tier 3 - PEPPRA)
- Town Safety (Tier 1)
- Town Safety (Tier 2)
- Town Safety (Tier 3 - PEPPRA)

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The applicable PERS plan depends on the employee classification and hire date. In some situations hiring of an employee who was previously an active member in PERS results in the "Classic" Plan benefit regardless of the date of hiring.

The Plan provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Town Miscellaneous		
	Prior to August 1, 2012	8/1/2012 – 12/31/2012 (or "Classic")	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.5%	1.091% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	19.176%	8.005%	6.25%
	Town Safety		
	Prior to January 1, 2012	On or after January 1, 2012 (or "Classic")	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensations	3%	2.4 to 3%	2.0% to 2.7%
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	34.595%	20.774%	11.5%

The Town's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The Town sponsors six rate plans (three miscellaneous and three safety).

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows. The Town made a \$1.0 million supplemental contribution to CalPERS in the 2018-19 fiscal year.

	<u>Total Miscellaneous</u>
Employer Contributions	\$1,429,544
	<u>Total Safety</u>
Employer Contributions	\$1,050,947

As of June 30, 2019, the Town reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous and Safety Plans as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 2,958,883
Safety	7,539,448
Total Net Pension Liability	\$ 10,498,331

The Town's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018 was as follows:

<u>Town Miscellaneous Plan</u>	<u>Miscellaneous</u>
Proportion - June 30, 2017	.077%
Proportion - June 30, 2018	.077%
Change - Increase (Decrease)	(.00%)
<u>Town Safety Plan</u>	<u>Safety</u>
Proportion - June 30, 2017	.130%
Proportion - June 30, 2018	.128%
Change - Increase (Decrease)	(.002%)

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

For the year ended June 30, 2019, the Town recognized pension expense of \$2,063,564. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,480,491	\$ -
Differences between actual and expected experience	275,524	39,247
Changes in assumptions	1,077,073	182,477
Net differences between projected and actual earnings on plan investments	65,674	-
Change in proportions and differences between actual contributions and proportionate share of contributions	305,533	155,877
Total	\$ 4,204,295	\$ 377,601

\$2,480,491 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>			
2020		\$	1,065,993
2021			645,223
2022			(286,178)
2023			(78,835)
Total		\$	1,346,203

Actuarial Assumptions - For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power Protection allowance floor on power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees’ Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits of cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class (1)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92)%
Total	<u>100%</u>		

- (1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.0% used for this period.
- (3) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

NOTE 5 - OTHER INFORMATION (concluded)

C. Public Employees Retirement System (concluded)

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$4,386,023	\$11,749,578
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$2,958,883	\$7,539,448
1% Increase	8.15%	8.15%
Net Pension Liability	\$1,780,802	\$4,090,001

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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.

Purpose	General Fund	Other Funds	Total Governmental
Committed fund balances were:			
Debt service costs	\$ 600,000	\$ -	\$ 600,000
Compensated absences	650,000	-	650,000
General and economic reserve	12,000,000	-	12,000,000
Total	13,250,000	-	13,250,000
Assigned fund balances were:			
Litigation	100,000	-	100,000
Insurance	100,000	-	100,000
Disaster response	750,000	-	750,000
Measure A – Transportation Tax	-	242,757	242,757
Gas Tax – Streets and Roads	-	59,321	59,321
Housing Impact Fee	-	259,681	259,681
Law Enforcement – State Grants	-	145,464	145,464
Public Safety Grant	-	10,532	10,532
Debt Service - Trustee	-	2,620	2,620
Capital Improvement Fund	-	1,310,417	1,310,417
Street Capital Fund	-	1,690,440	1,690,440
Capital Projects - Town Capital Project	-	-	-
Total	950,000	3,721,232	4,671,272
Unassigned fund balances were:			
General Fund	10,982,278	-	10,982,278
Grand Total	\$ 25,182,278	\$ 3,721,232	\$ 28,903,510

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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.

Separate from any amounts that employees voluntarily defer, regular employees are eligible to receive a \$100 monthly matching contribution made to the Plan as a benefit by the Town. A total of 34 employees received this benefit during the fiscal year ending June 30, 2019. The Town's contributions towards this benefit for the fiscal year ended June 30, 2019 were \$40,250.

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

Other Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Town of Colma Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Plan Description

The Town administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date and employment status: General employees, Colma Peace Officers Association (POA) employees, and Police Communications/Records (PCR) employees. Benefits continue to dependents, including surviving spouses.

Benefits Provided

Benefit Tier A covers POA and PCR employees hired before May 31, 2008, and General employees hired before July 1, 2012. The Town pays 100% of medical premiums.

Benefit Tier B covers General employees hired between July 1, 2012 and March 31, 2017, and POA and PCR employees hired after June 1, 2008, but before June 30, 2012. The Town pays the medical premium multiplied by a vesting percentage, ranging from 50% for those with at least 10 years of service to 100% for those who have 20 or more years of service.

Benefit Tier C covers POA and PCR employees hired between July 1, 2012 and March 31, 2017. Benefits are the same as Tier B, but the maximum paid by the Town is capped at the highest of the second most costly plan.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

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

Benefit Tier D for General, POA, and PCR employees hired after April 1, 2017, the Town pays the PEMHCA minimum for those enrolled in a CalPERS medical plan. As stated in the memorandums of understanding with the POA and PCR, the start date for this Tier was January 1, 2017. The implementation of the required plans delayed the implementation to April 1, 2017. No new employees were eligible between January 1, 2017 and March 31, 2017.

The Town pays 100% of the dental premiums for General employees and PCR employees hired before May 1, 2010, and for POA employees hired before June 1, 2008.

Employees Covered by Benefit Terms

At June 30, 2018 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees or beneficiaries currently receiving benefit payments:	33
Inactive employees entitled to but not yet receiving benefit payment:	0
Active plan members:	37
Total	70

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Contributions

The Town makes contributions based on an actuarially determined rate.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.50%

Salary increases: 2.75%. Additional merit-based increases based on CalPERS merit salary increase tables.

Investment rate of return: 5.61%

Healthcare cost trend rates: 7.00% in the first year, trending down to 3.84% over 58 years.

Mortality rates were based on CalPERS tables.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.61%. This is the expected long-term rate of return on Town assets using the PARS Moderately Conservative Investment Strategy. The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

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

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c)
Balances as of June 30, 2018	\$ 16,641,989	\$ 2,749,061	\$ 13,892,928
Changes for the year:			
Service cost	-	-	-
Interest	58,173	-	58,173
Changes of benefit terms	-	-	-
Differences between actual and expected experience	973,195	-	973,195
Change of Assumptions	(1,954,200)	-	(1,954,200)
Contributions			
Employer – Town’s contribution	-	74,086	(74,086)
Employer - implicit subsidy	-	41,737	(41,737)
Employee	-	-	-
Net investment income	-	27,073	(27,073)
Benefits payments, including refunds of employee contributions	(57,557)	(57,557)	-
Implicit rate subsidy fulfilled	-	(41,737)	41,737
Administrative expenses	-	(17)	17
Net changes	<u>(980,389)</u>	<u>43,585</u>	<u>(1,023,974)</u>
Balances as of June 30, 2019	<u>\$ 15,661,600</u>	<u>\$ 2,792,646</u>	<u>\$ 12,868,954</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.61%) or one percentage point higher (6.61%) follows:

Plan’s Net OPEB Liability/(Asset)		
1% Decrease (4.61%)	Current Discount Rate (5.61%)	1% Increase (6.61%)
\$ 15,282,253	\$ 12,868,954	\$ 10,929,233

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.84%) or one percentage point higher (4.84%) than current healthcare cost trend rates follows:

Plan’s Net OPEB Liability/(Asset)		
1% Decrease 6.00% decreasing to 2.84%	Trend Rate 7.00% decreasing to 3.84%	1% Increase 8.00% decreasing to 4.84%
\$ 10,654,485	\$ 12,868,954	\$ 15,849,334

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2019

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

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2019 the Town recognized an OPEB expense of \$(207,983). At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ 837,273	\$ -
Changes of assumptions	-	(1,681,267)
Net differences between projected and actual earnings on OPEB plan investments	102,089	-
Town contributions subsequent to measurement date	1,698,720	-
Total	\$ 2,638,082	\$ (1,681,267)

\$1,698,720 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended</u>		
6/30/20		\$ (111,488)
6/30/21		(111,488)
6/30/22		(111,488)
6/30/23		(111,491)
6/30/24		(137,011)
Remaining		(158,939)

REQUIRED SUPPLEMENTARY INFORMATION

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2019
(UNAUDITED)

	Budgeted		Actual	Variance with
	Amounts			
	Original	Final	Amounts	Final Budget
<u>REVENUES</u>				
Sales, Cardroom and other taxes	\$ 16,716,000	\$ 16,716,000	\$ 17,359,426	\$ 643,426
Licenses and permits	123,840	123,840	123,626	(214)
Fines and forfeits	69,000	69,000	103,519	34,519
Intergovernmental	67,010	67,010	68,538	1,528
Use of money and property	512,802	323,602	559,860	236,258
Other revenues	105,300	105,300	56,430	(48,870)
Charges for services	955,370	129,570	123,216	(6,354)
Total revenues	<u>18,549,322</u>	<u>17,534,322</u>	<u>18,394,615</u>	<u>860,293</u>
<u>EXPENDITURES</u>				
Current:				
General government	3,607,480	4,921,808	4,729,796	192,012
Public safety	7,812,898	8,548,567	8,233,894	314,673
Public works	3,297,420	2,232,260	1,856,093	376,167
Planning	515,950	515,950	315,743	200,207
Recreation	1,318,960	1,318,960	1,250,971	67,989
Total expenditures	<u>16,552,708</u>	<u>17,537,545</u>	<u>16,386,497</u>	<u>1,151,048</u>
Excess (deficiency) of revenues over expenditures	<u>1,996,614</u>	<u>(3,223)</u>	<u>2,008,118</u>	<u>2,011,341</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(974,869)	(1,282,053)	(1,282,053)	-
Total other financing sources (uses)	<u>(974,869)</u>	<u>(1,282,053)</u>	<u>(1,282,053)</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,021,745</u>	<u>\$ (1,285,276)</u>	726,065	<u>\$ 2,011,341</u>
Fund balance, beginning of period			<u>24,456,213</u>	
Fund balance, end of period			<u>\$ 25,182,278</u>	

Town of Colma
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS
 June 30, 2019

Measurement Date, June 30	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.07851%	0.07722%	0.07743%	0.08263%	0.07547%
Proportion share of the net pension liability	\$ 2,958,883	\$ 3,044,014	\$ 2,689,973	\$ 2,267,047	\$ 1,865,120
Covered - employee payroll	\$ 1,915,941	\$ 1,714,156	\$ 1,569,041	\$ 1,439,421	\$ 1,680,743
Proportionate share of the net pension liability as percentage of covered-employee payroll	154.43%	177.58%	156.93%	144.49%	129.57%
Plan fiduciary net position as a percentage of the total pension liability	71.95%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2014 was the 1st year of implementation.

Town of Colma
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - SAFETY
 June 30, 2019

Measurement Date, June 30	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.12783%	0.12783%	0.19457%	0.19974%	0.20336%
Proportion share of the net pension liability	\$ 7,539,448	\$ 7,638,175	\$ 6,759,099	\$ 5,479,917	\$ 5,026,111
Covered - employee payroll	\$ 2,666,824	\$ 2,316,450	\$ 2,180,395	\$ 2,164,223	\$ 1,881,631
Proportionate share of the net pension liability as percentage of covered-employee payroll	282.71%	329.74%	309.99%	253.20%	267.11%
Plan fiduciary net position as a percentage of the total pension liability	75.31%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2014 was the 1st year of implementation.

Town of Colma
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
 June 30, 2019

<u>Fiscal Year Ending June 30</u>	Town Miscellaneous Plan				
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,429,544	\$ 333,699	\$ 294,899	\$ 359,763	\$ 226,748
Contributions in relation to the actuarially determined contributions	<u>(1,429,544)</u>	<u>(333,699)</u>	<u>(290,520)</u>	<u>(249,024)</u>	<u>(226,748)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,379</u>	<u>\$ 110,739</u>	<u>\$ -</u>
Covered - employee payroll	\$ 1,915,941	\$ 1,714,156	\$ 1,569,041	\$ 1,439,421	\$ 1,680,743
Contributions as a percentage of covered-employee payroll	74.61%	19.47%	18.79%	24.99%	13.49%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Changes of Assumptions: There were no changes of assumptions.

* Fiscal year 2015 was the 1st year of implementation.

Town of Colma
SCHEDULE OF CONTRIBUTIONS - SAFETY
 June 30, 2019

<u>Fiscal Year Ending June 30</u>	<u>Town Safety Plan</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 1,050,947	\$ 930,366	\$ 788,713	\$ 820,095	\$ 712,647
Contributions in relation to the actuarially determined contributions	<u>(1,050,947)</u>	<u>(930,366)</u>	<u>(757,355)</u>	<u>(687,933)</u>	<u>(712,647)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,358</u>	<u>\$ 132,162</u>	<u>\$ -</u>
Covered - employee payroll	\$ 2,666,824	\$ 2,316,450	\$ 2,180,395	\$ 2,164,223	\$ 1,881,631
Contributions as a percentage of covered-employee payroll	39.41%	40.16%	36.17%	37.89%	37.87%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Changes of Assumptions: There were no changes of assumptions.

* Fiscal year 2015 was the 1st year of implementation.

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2019

Total OPEB Liability	
Service cost	\$ -
Interest	58,173
Benefit payments, included refunds of employee contributions	(57,557)
Change in assumptions	(1,954,200)
Difference between actual and expected experience	973,195
Net change in total OPEB liability	(980,389)
Total OPEB liability - beginning of year	16,641,989
Total OPEB liability - end of year	<u>\$ 15,661,600</u>
Plan Fiduciary Net Position	
Net investment income	\$ 27,073
Contributions	
Employer - explicit subsidy	74,086
Employer - implicit subsidy	41,737
Benefit payments, included refunds of employee contributions	(57,557)
Implicit rate subsidy fulfilled	(41,737)
Administrative expense	(17)
Net change in plan fiduciary net position	43,585
Plan fiduciary net position - beginning of year	2,749,061
Plan fiduciary net position - end of year	<u>2,792,646</u>
Town's net OPEB liability - end of year	<u>\$ 12,868,954</u>
Plan fiduciary net position as a percentage of the total OPEB liability	17.83%
Covered-employee payroll	\$ 6,423,761
Net OPEB liability as a percentage of covered-employee payroll	200.33%

The schedules present information to illustrate changes in the Town of Colma's changes in the net OPEB liability over a ten year period when the information is available.

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN OF COLMA'S CONTRIBUTIONS - OPEB
For the Year Ended June 30, 2019

	2019	2018
Actuarially determined contribution	\$ 115,823	\$ 1,636,641
Contributions in relation to the actuarially determined contribution	-	(1,636,641)
Contribution deficiency (excess)	\$ 115,823	\$ -
Covered payroll	\$ 6,423,761	\$ 4,068,515
Contributions as a percentage of covered payroll	1.80%	40.23%

The schedules present information to illustrate changes in the Town of Colma's contributions over a ten year period when the information is available.

Notes to Schedule:

Assumptions and Methods

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Closed period, level percent of pay
Amortization period	20 years
Asset valuation method	Market value projected to fiscal year-end 2017 by the Town of Colma
Inflation	2.50%
Assumed Rate of Payroll Growth	2.75%
Healthcare trend rates	7.00%, trending down to 3.94%
Rate of return on assets	5.61%
Mortality rate	CalPERS rates
Retirement rates	CalPERS rates

SUPPLEMENTARY INFORMATION

Town of Colma
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2019

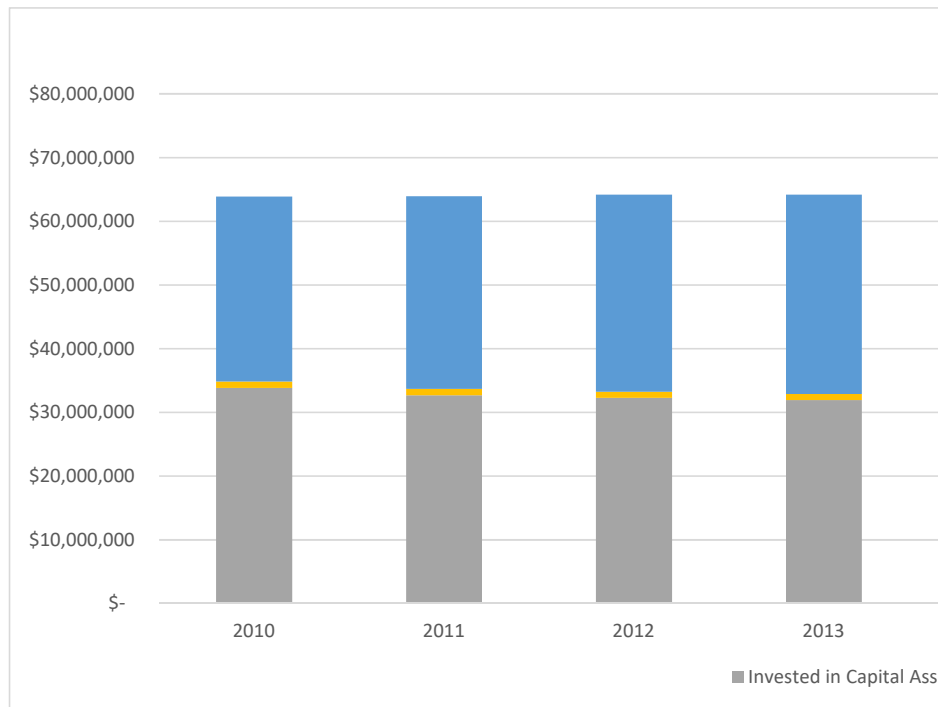
	Special Revenue Funds								Total Nonmajor Governmental Funds	
	Gas Tax	Measure A	State Transportation Grant	Housing Impact Fee	Public Safety Grants	Local law Enforcement Grants	Town Hall COP Project	Street Capital		Debt Service
<u>ASSETS</u>										
Cash and investments	\$ 55,159	\$ 237,125	\$ -	\$ 259,681	\$ 10,686	\$ 145,604	\$ 79,335	\$ 1,688,943	\$ 2,620	\$ 2,479,153
Receivables from other governments	4,912	5,632	-	-	-	-	-	13,680	-	24,224
Total assets	<u>\$ 60,071</u>	<u>\$ 242,757</u>	<u>\$ -</u>	<u>\$ 259,681</u>	<u>\$ 10,686</u>	<u>\$ 145,604</u>	<u>\$ 79,335</u>	<u>\$ 1,702,623</u>	<u>\$ 2,620</u>	<u>\$ 2,503,377</u>
<u>LIABILITIES AND FUND BALANCES</u>										
Liabilities:										
Accounts payable	\$ 750	\$ -	\$ -	\$ -	\$ 154	\$ 140	\$ 79,335	\$ 12,183	\$ -	\$ 92,562
Total Liabilities	750	-	-	-	154	140	79,335	12,183	-	92,562
Fund balances:										
Assigned	59,321	242,757	-	259,681	10,532	145,464	-	1,690,440	2,620	2,410,815
Total fund balances	59,321	242,757	-	259,681	10,532	145,464	-	1,690,440	2,620	2,410,815
Total liabilities and fund balances	<u>\$ 60,071</u>	<u>\$ 242,757</u>	<u>\$ -</u>	<u>\$ 259,681</u>	<u>\$ 10,686</u>	<u>\$ 145,604</u>	<u>\$ 79,335</u>	<u>\$ 1,702,623</u>	<u>\$ 2,620</u>	<u>\$ 2,503,377</u>

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds								Total Nonmajor Governmental Funds
	Gas tax	Measure A	State Transportation Grant	Housing Impact Fee	Public Safety Grants	Local Law Enforcement Grant Fund	Street Capital	Debt Service	
Revenues:									
Intergovernmental	\$ 66,422	\$ 67,467	\$ 11,269	\$ 62,505	508	\$ 148,747	\$ 118,851	\$ -	\$ 475,769
Use of money and property	130	891	-	-	-	3,196	35,027	133	39,377
Total revenues	<u>66,552</u>	<u>68,358</u>	<u>11,269</u>	<u>62,505</u>	<u>508</u>	<u>151,943</u>	<u>153,878</u>	<u>133</u>	<u>515,146</u>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	5,400	5,400
Public safety	-	-	-	-	8,094	180,412	-	-	188,506
Public works	22,633	-	-	-	-	-	428,279	-	450,912
Debt service:									
Principal	-	-	-	-	-	-	-	115,000	115,000
Interest	-	-	-	-	-	-	-	181,268	181,268
Total expenditures	<u>22,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,094</u>	<u>180,412</u>	<u>428,279</u>	<u>301,668</u>	<u>941,086</u>
Excess (deficiency) of revenues over expenditures	<u>43,919</u>	<u>68,358</u>	<u>11,269</u>	<u>62,505</u>	<u>(7,586)</u>	<u>(28,469)</u>	<u>(274,401)</u>	<u>(301,535)</u>	<u>(425,940)</u>
Other financing sources (uses):									
Debt proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	197,176	-	-	2,158,341	301,614	2,657,131
Transfers out	-	-	-	-	-	-	(193,500)	-	(193,500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,176</u>	<u>-</u>	<u>-</u>	<u>1,964,841</u>	<u>301,614</u>	<u>2,463,631</u>
Net change in fund balances	43,919	68,358	11,269	259,681	(7,586)	(28,469)	1,690,440	79	2,037,691
Fund balances, July 1	15,402	174,399	(11,269)	-	18,118	173,933	-	2,541	373,124
Fund balances, June 30	<u>\$ 59,321</u>	<u>\$ 242,757</u>	<u>\$ -</u>	<u>\$ 259,681</u>	<u>\$ 10,532</u>	<u>\$ 145,464</u>	<u>\$ 1,690,440</u>	<u>\$ 2,620</u>	<u>\$ 2,410,815</u>

STATISTICAL SECTION

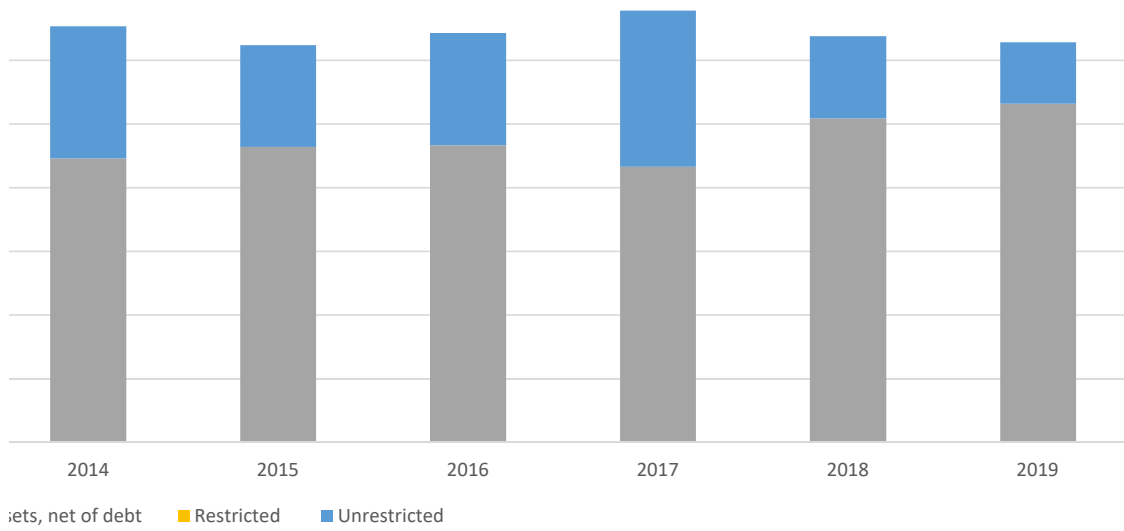
**Town of Colma
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)**



Governmental activities

	2010	2011	2012	2013
Invested in capital assets, net of related debt	\$ 33,872,406	\$ 32,716,909	\$ 32,290,889	\$ 31,939,040
Restricted	959,750	959,750	959,750	958,050
Unrestricted	29,091,738	30,259,243	30,931,462	31,280,801
Total governmental activities net position	\$ 63,923,894	\$ 63,935,902	\$ 64,182,101	\$ 64,177,891

Net Position by Component



	2014	2015	2016	2017	2018	2019
\$	44,599,385	\$ 46,404,513	\$ 46,657,014	\$ 43,276,758	\$ 50,892,687	\$ 53,214,320
	0	0	0	0	0	0
	20,760,067	15,999,908	17,650,250	24,533,197	12,890,420	9,642,870
\$	65,359,452	\$ 62,404,421	\$ 64,307,264	\$ 67,809,955	\$ 63,783,107	\$ 62,857,190

Town of Colma
Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Expenses	Fiscal Year Ended June 30,			
	2010	2011	2012	2013
Governmental activities:				
General government	\$ 2,735,280	\$ 2,825,518	\$ 3,132,552	\$ 3,346,125
Public safety	5,887,593	5,988,451	5,944,039	6,913,654
Public works	3,468,651	3,118,437	2,990,162	3,047,313
Recreation & parks	1,040,969	1,066,492	1,061,289	1,058,521
Planning	533,042	584,957	464,616	573,399
Interest on long-term debts	608,114	598,294	587,357	575,585
Total governmental activities expenses	<u>14,273,649</u>	<u>14,182,149</u>	<u>14,180,015</u>	<u>15,514,597</u>
Total primary government expenses	<u>\$ 14,273,649</u>	<u>\$ 14,182,149</u>	<u>\$ 14,180,015</u>	<u>\$ 15,514,597</u>
Program revenues				
Governmental activities:				
Charges for services				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	70,604	98,673	83,732	67,536
Public works	348,140	362,472	385,942	421,062
Recreation & parks	50,014	51,440	61,940	82,825
Planning	348,139	362,471	385,942	421,063
Operating grants and contributions	0	0	0	0
Capital grants and contributions	1,793,072	2,252,336	2,037,958	2,314,303
Total government activities program revenues	<u>2,609,969</u>	<u>3,127,392</u>	<u>2,955,514</u>	<u>3,306,789</u>
Total primary government program revenues	<u>\$ 2,609,969</u>	<u>\$ 3,127,392</u>	<u>\$ 2,955,514</u>	<u>\$ 3,306,789</u>
Net (expense)/revenue				
Governmental activities	\$ (11,663,680)	\$ (11,054,757)	\$ (11,224,501)	\$ (12,207,808)
Total primary government net expense	<u>\$ (11,663,680)</u>	<u>\$ (11,054,757)</u>	<u>\$ (11,224,501)</u>	<u>\$ (12,207,808)</u>
General revenues and other changes in net assets				
Governmental activities:				
Taxes				
Property taxes	\$ 385,709	\$ 366,266	\$ 334,320	\$ 354,574
Sales taxes	5,337,807	4,901,120	5,045,150	5,517,652
Cardroom taxes	5,484,544	4,938,532	5,091,032	4,957,234
Motor vehicle in-lieu, unrestricted	52,262	50,024	-	-
Other taxes and fees	278,912	513,254	56,455	74,736
Use of money/property and interest earnings	700,460	287,291	476,595	496,197
Other revenues	0	0	63,213	70,307
Extraordinary items:				
Special item - forgiveness of assessments	0	0	0	0
Total governmental activities	<u>12,239,694</u>	<u>11,056,487</u>	<u>11,066,765</u>	<u>11,470,700</u>
Total primary government	<u>\$ 12,239,694</u>	<u>\$ 11,056,487</u>	<u>\$ 11,066,765</u>	<u>\$ 11,470,700</u>
Change in net assets				
Governmental activities	\$ 576,014	\$ 1,730	\$ (157,736)	\$ (737,108)
Total primary government	<u>\$ 576,014</u>	<u>\$ 1,730</u>	<u>\$ (157,736)</u>	<u>\$ (737,108)</u>

	2014	2015	2016	2017	2018	2019
\$	2,967,299	\$ 3,903,936	\$ 3,187,043	\$ 2,821,469	\$ 3,158,045	\$ 4,735,196
	6,257,453	2,832,021	7,027,124	5,693,256	7,877,748	7,711,938
	3,915,614	4,285,679	4,216,784	4,519,003	4,256,204	5,673,752
	908,687	946,869	968,178	1,066,457	1,210,189	1,250,971
	417,626	410,942	512,090	470,802	443,700	315,743
	483,814	0	114,087	185,669	183,469	181,268
	14,950,493	12,379,447	16,025,306	14,756,656	17,129,355	19,868,868
\$	14,950,493	\$ 12,379,447	\$ 16,025,306	\$ 14,756,656	\$ 17,129,355	\$ 19,868,868

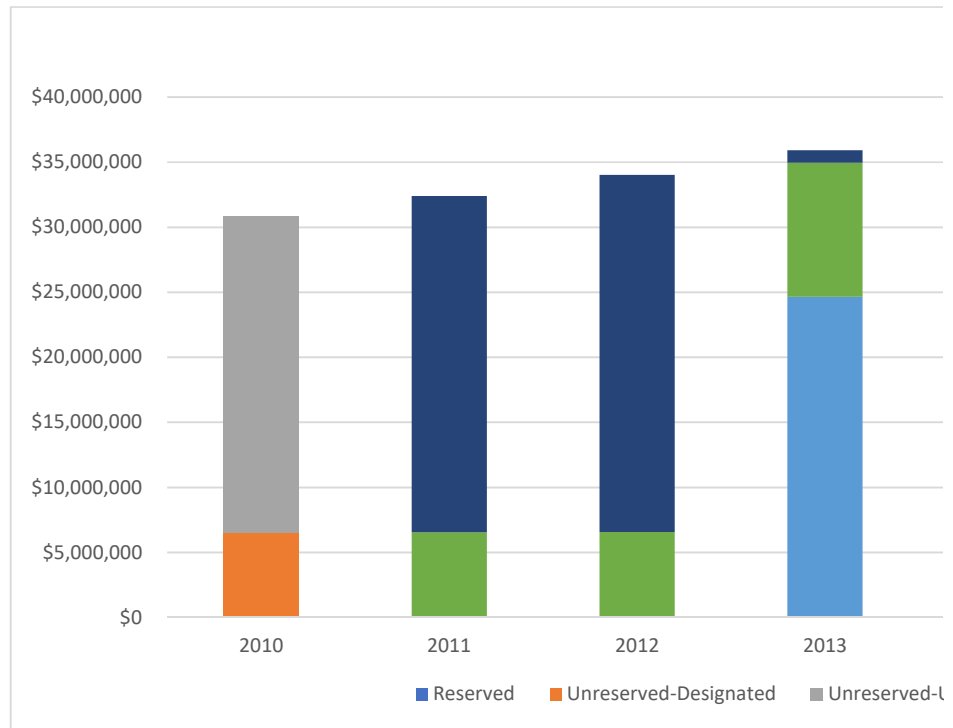
\$	20,175	\$ -	\$ -	\$ -	\$ -	\$ -
	102,641	106,935	68,225	250,905	97,848	25,417
	709,810	826,619	500,000	290,067	1,194,533	167,165
	71,176	78,592	524,317	580,133	142,078	83,662
	100,113	109,561	281,687	476,222	264,422	115,036
	0	138,809	282,497	156,775	230,352	237,521
	479,793	0	0	169,204	283,634	442,309
	1,483,708	1,260,516	1,656,726	1,923,306	2,212,867	1,071,110
\$	1,483,708	\$ 1,260,516	\$ 1,656,726	\$ 1,923,306	\$ 2,212,867	\$ 1,071,110

\$	(13,466,785)	\$ (11,118,931)	\$ (14,368,580)	\$ (12,833,350)	\$ (14,916,488)	\$ (18,797,758)
\$	(13,466,785)	\$ (11,118,931)	\$ (14,368,580)	\$ (12,833,350)	\$ (14,916,488)	\$ (18,797,758)

\$	617,618	\$ 472,157	\$ 617,172	\$ 578,560	\$ 601,116	\$ 640,080
	6,232,713	6,843,923	10,851,063	11,202,349	11,397,118	12,066,527
	4,703,462	4,140,070	4,039,518	4,290,660	4,352,743	4,520,957
	-	-	-	-	-	-
	105,257	2,454,113	115,585	223,883	134,789	131,862
	503,140	615,754	473,432	247,803	416,023	679,643
	41,408	122,329	174,653	242,786	113,922	(167,224)
	0	0	0	0	0	0
	12,203,598	14,648,346	16,271,423	16,786,041	17,015,711	17,871,845
\$	12,203,598	\$ 14,648,346	\$ 16,271,423	\$ 16,786,041	\$ 17,015,711	\$ 17,871,845

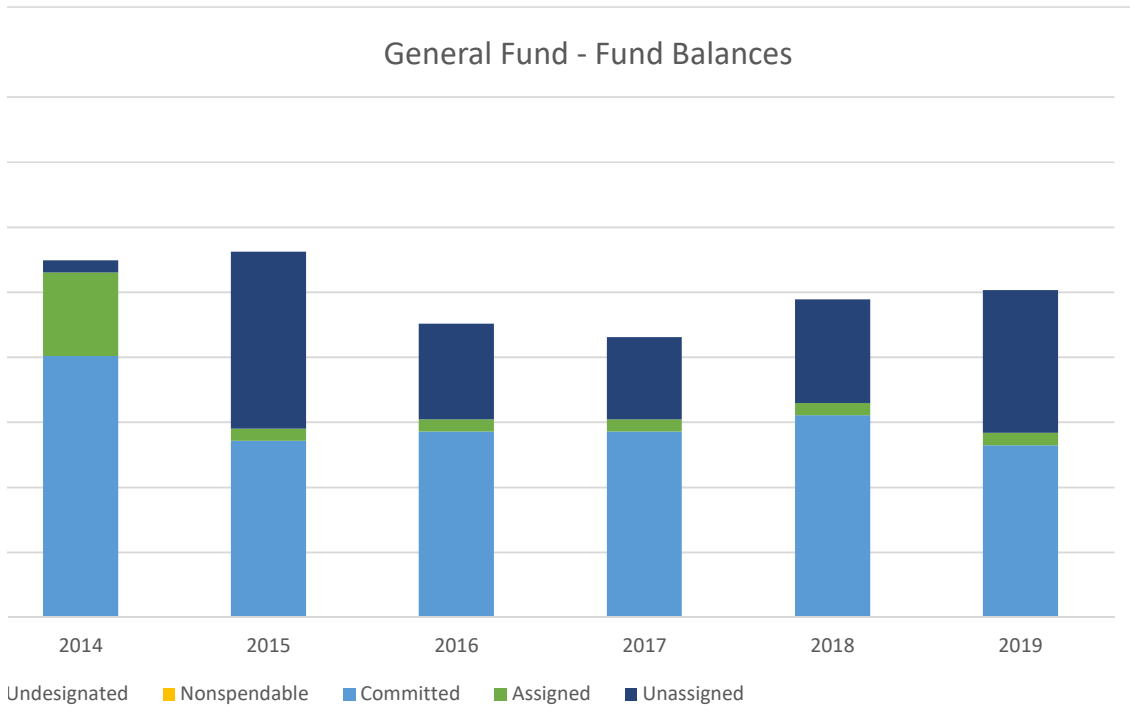
\$	(1,263,187)	\$ 3,529,415	\$ 1,902,843	\$ 3,952,691	\$ 2,099,223	\$ (925,913)
\$	(1,263,187)	\$ 3,529,415	\$ 1,902,843	\$ 3,952,691	\$ 2,099,223	\$ (925,913)

**Town of Colma
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 9,102	\$ 0	\$ 0	\$ 0
Unreserved-Designated	6,464,640	0	0	0
Unreserved-Undesignated	24,362,588	0	0	0
Nonspendable	0	88,822	103,788	98,956
Committed	0	0	0	24,552,790
Assigned	0	6,464,640	6,464,640	10,319,919
Unassigned	0	25,848,027	27,462,519	950,000
Total General Fund	30,836,330	32,401,489	34,030,947	35,921,665
All Other Governmental Funds				
Reserved	\$ 959,750	\$ 0	\$ 0	\$ 0
Unreserved, reported in:				
Special revenue funds	105,593	0	0	0
Committed	0	959,750	959,750	958,050
Assigned	0	79,716	120,291	203,792
Unassigned	0	0	0	0
Total all other governmental funds	1,065,343	1,039,466	1,080,041	1,161,842

General Fund - Fund Balances



	2014	2015	2016	2017	2018	2019
\$	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	20,100,000	13,576,000	14,287,000	14,287,000	15,542,000	13,250,000
	6,417,979	950,000	950,000	950,000	950,000	950,000
	950,000	13,591,913	7,357,248	6,310,836	7,965,214	10,982,278
	<u>27,467,979</u>	<u>28,117,913</u>	<u>22,594,248</u>	<u>21,547,836</u>	<u>24,457,214</u>	<u>25,182,278</u>

\$	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	4,343,192	1,729,570	0	0
	79,249	71,557	8,980,111	13,839,459	8,399,613	3,721,232
	0	(47,219)	0	0	(11,269)	0
	<u>79,249</u>	<u>24,338</u>	<u>13,323,303</u>	<u>15,569,029</u>	<u>8,388,344</u>	<u>3,721,232</u>

Town of Colma
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Revenues					
Property taxes	\$ 366,266	\$ 334,320	\$ 354,574	\$ 617,618	\$ 472,157
Sales taxes	4,901,120	5,045,150	5,517,652	6,232,713	6,843,923
Cardroom taxes	4,938,532	5,091,032	4,957,234	4,703,462	4,140,070
Other taxes	50,024	56,455	74,736	105,257	2,454,113
Licenses and permits	189,550	108,763	83,862	114,546	100,113
Fines and forfeits	70,604	98,673	83,732	67,536	66,611
Intergovernmental	1,793,072	2,252,336	2,037,958	2,314,303	479,793
Use of money and property	513,254	476,595	496,197	503,140	615,754
Other revenues	287,291	63,213	70,307	41,408	122,329
Charges for services	556,743	667,620	749,962	810,404	837,191
Total revenues	13,666,456	14,194,157	14,426,214	15,510,387	16,132,054
Expenditures					
Current:					
General government	2,509,572	2,620,539	2,936,363	2,921,076	2,967,299
Public safety	4,807,033	4,929,990	4,822,180	5,445,546	5,397,761
Public works	3,857,314	3,179,758	2,866,880	2,936,622	3,299,749
Recreation	859,300	888,871	883,961	880,931	908,687
Planning	351,375	407,336	287,288	395,809	417,626
Debt service:					
Principal repayment	350,000	360,000	375,000	385,000	12,100,000
Interest and fiscal charges	604,934	595,309	584,509	572,884	577,209
Total expenditures	13,339,528	12,981,803	12,756,181	13,537,868	25,668,331
Excess (deficiency) of revenues over (under) expenditures	326,928	1,212,354	1,670,033	1,972,519	(9,536,277)
Other financing sources (uses)					
Issuance of long-term debt					
Transfers in	1,515,520	1,274,755	1,140,692	1,230,450	12,246,681
Transfers (out)	(1,515,520)	(1,274,755)	(1,140,692)	(1,230,450)	(12,246,681)
Total other financing sources (uses)	0	0	0	0	0
Net change in fund balances	\$ 326,928	\$ 1,212,354	\$ 1,670,033	\$ 1,972,519	\$ (9,536,277)
Debt service as a percentage of noncapital expenditures	2.6%	2.8%	2.9%	2.8%	47.1%

	2015	2016	2017	2018	2019
\$	554,778	\$ 617,172	\$ 578,560	\$ 601,116	\$ 640,080
	10,327,853	10,851,063	11,202,349	11,397,118	12,066,527
	3,774,885	4,039,518	4,290,660	4,352,743	4,520,957
	138,463	115,585	136,895	127,789	131,862
	109,724	281,687	372,321	278,046	123,626
	65,785	68,225	64,740	73,907	103,519
	407,960	282,497	412,967	432,281	594,307
	427,801	473,432	247,803	416,023	668,061
	148,351	222,156	242,786	392,804	59,808
	946,198	1,024,317	1,160,266	1,156,751	123,216
	16,901,798	17,975,652	18,709,347	19,228,578	19,031,963
	3,903,936	3,194,543	2,821,469	3,158,045	4,735,196
	4,961,165	5,748,812	6,280,151	7,214,813	8,422,400
	6,083,862	4,730,141	6,575,487	11,312,133	7,766,952
	946,869	973,178	1,066,457	1,108,920	1,250,971
	410,942	512,090	470,802	443,700	315,743
	0	180,000	110,000	110,000	115,000
	0	114,087	185,669	183,469	181,268
	16,306,774	15,452,851	17,510,035	23,531,080	22,787,530
	595,024	2,522,801	1,199,312	(4,302,502)	(3,755,567)
		5,252,497			
	0	9,833,630	5,848,997	1,215,893	3,332,131
	0	(9,833,630)	(5,848,997)	(1,215,893)	(3,517,611)
	0	5,252,497	0	0	(185,480)
\$	595,024	\$ 7,775,298	\$ 1,199,312	\$ (4,302,502)	\$ (3,941,047)

0.0% 1.2% 0.6% 0.5% 0.5%

Town of Colma
Assessed Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Secured Property Assessed Value (a)	Unsecured Property Assessed Value	SBE Nonunitary Value (a)	Total Assessed Value (a)	Total Direct Tax Rate (b)	Percentage Growth Change
2010	497,649,479	45,180,770	723,100	543,553,349	1.0%	-3.30%
2011	493,189,593	35,162,186	723,100	529,074,879	1.0%	-2.66%
2012	497,097,100	34,175,946	542,325	531,815,371	1.0%	0.52%
2013	520,782,477	36,007,528	542,325	557,332,330	1.0%	4.80%
2014	534,119,184	36,578,906	542,325	571,240,415	1.0%	2.50%
2015	577,284,551	36,807,516	542,325	614,634,392	1.0%	7.60%
2016	583,049,863	38,607,884	723,100	622,380,847	1.0%	1.26%
2017	600,830,262	34,339,922	723,100	635,893,284	1.0%	2.17%
2018	618,149,159	32,961,152	723,100	651,833,411	1.0%	2.51%
2019	643,021,845	33,927,523	723,100	677,672,468	1.0%	3.96%

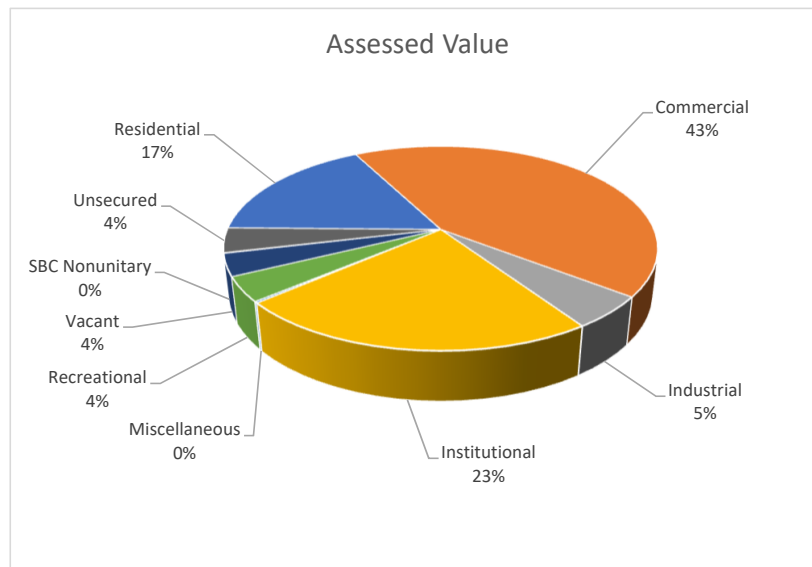
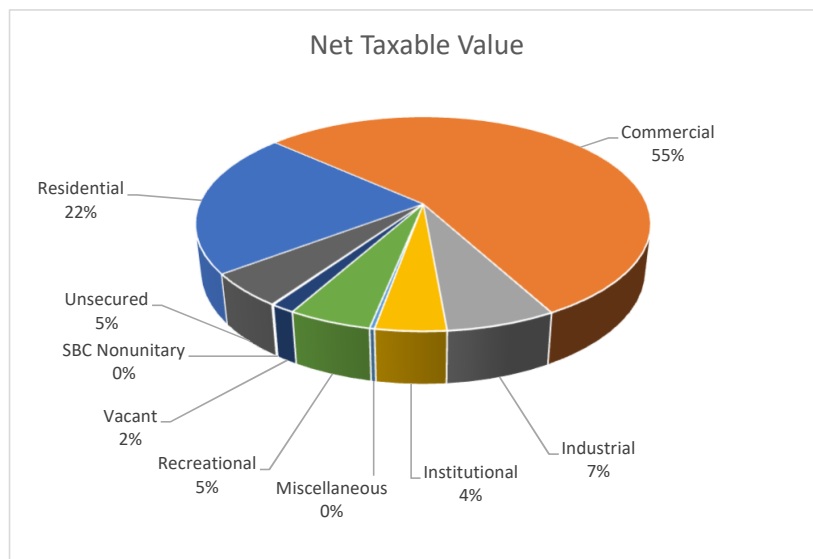
(a) Assessed values presented are net of exemptions.

The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of non more than two percent annually, plus any local over-rides. These values are considered to be full market values.

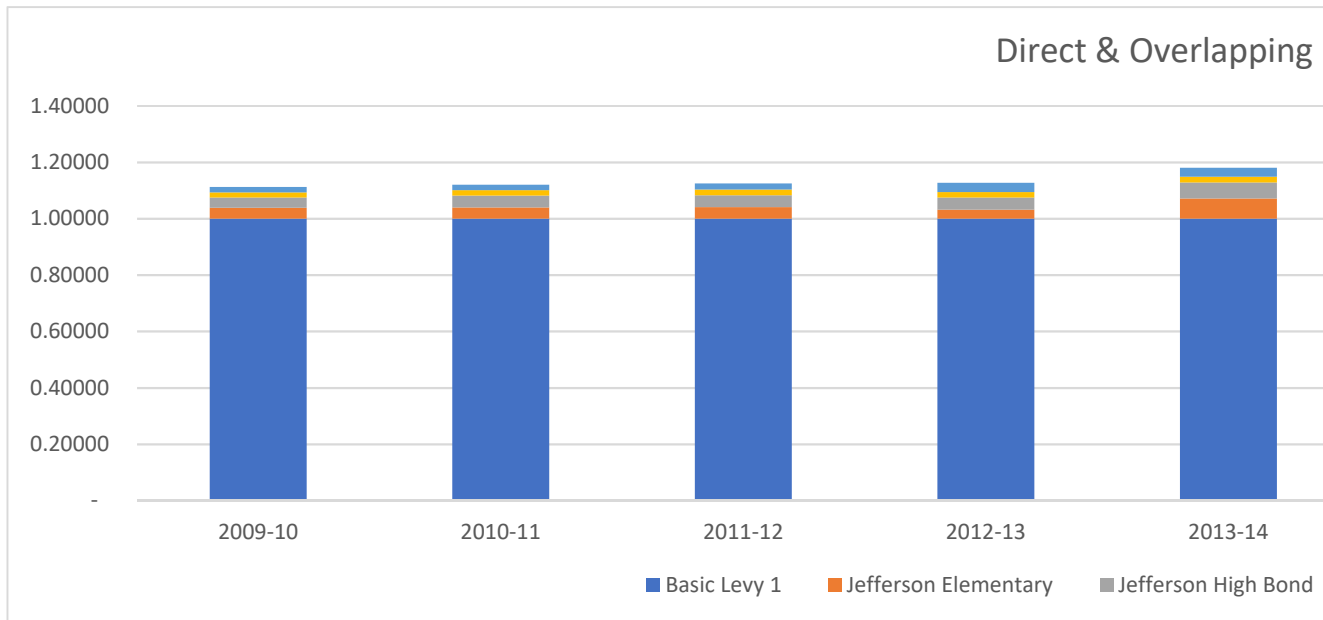
(b) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The Town of Colma has seven tax rate areas.

Town of Colma
Assessed Value of Taxable Property by Use
Fiscal year ending June 30, 2019

Category	Parcels	Assessed Value	% of Total	Net Taxable Value	% of Total
Residential	322	148,483,155	17.0%	148,483,155	17.0%
Commercial	75	375,407,013	43.1%	375,407,013	43.1%
Industrial	19	44,614,000	5.1%	44,614,000	5.1%
Institutional	49	201,416,355	23.1%	28,729,877	3.3%
Miscellaneous	8	1,964,765	0.2%	1,964,765	0.2%
Recreational	3	33,886,492	3.9%	33,886,492	3.9%
Vacant	78	30,723,126	3.5%	9,736,053	1.1%
SBC Nonunitary	[3]	723,100	0.1%	723,100	0.1%
Unsecured	[13]	34,128,013	3.9%	34,128,013	3.9%
Total	564	871,346,019		677,672,468	



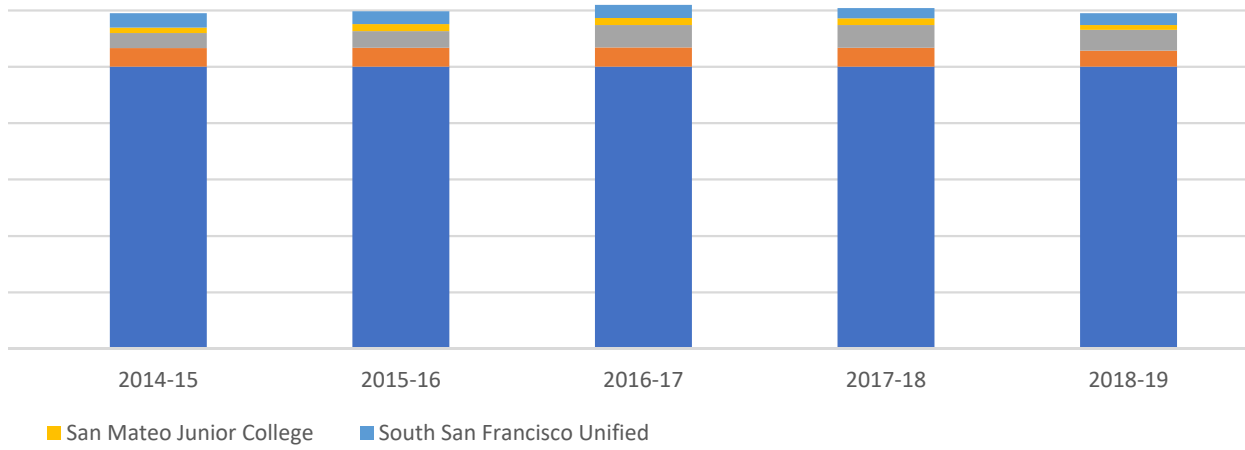
Town of Colma
Direct & Overlapping Property Tax Rates
(Rate per \$100 of Taxable Value)
Last Ten Fiscal Years



Agency	2009-10	2010-11	2011-12	2012-13
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000
Jefferson Elementary	0.03890	0.03990	0.04070	0.03160
Jefferson High Bond	0.03600	0.04160	0.04220	0.04300
San Mateo Junior College	0.01820	0.01930	0.01990	0.01940
South San Francisco Unified	0.01950	0.01960	0.02210	0.03270
Total Direct & Overlapping Tax Rates	1.11260	1.12040	1.12490	1.12670
City's Share of 1% Basic Levy	0.01142	0.01143	0.01125	0.01057

Source: San Mateo County Assessor's 2009-10 Through 2018-19 Tax Rate Table

Property Tax Rates



2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07130	0.06620	0.06740	0.06800	0.06630	0.05630
0.05740	0.05300	0.05830	0.08000	0.08160	0.07390
0.01940	0.01900	0.02500	0.02470	0.02350	0.01750
0.03280	0.05130	0.04570	0.04670	0.03660	0.04220
1.18090	1.18950	1.19640	1.21940	1.20800	1.18990
0.10280	0.16068	0.16062	0.16431	0.16913	0.17625

**Town of Colma
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago**

2018-19

Business Name	Business Type
Best Buy	Electronics/Appliance Stores
BevMo	Convenience Stores/Liquor
Cab West/Volvo Leasing	Auto Lease
Carmax	Used Auotmotive Dealers
Cypress Lawn Cemetery	Morticians and Undertakers
Golden Gate Acura	New Motor Vehicle Dealers
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
Honda of Serramonte	New Motor Vehicle Dealers
Hyundai of Serramonte	New Motor Vehicle Dealers
Kohl's	Department Stores
Lexus of Serramonte	New Motor Vehicle Dealers
Lucky Chances Casino	Leisure/Entertainment
Marshalls	Family Apparel
Michaels Arts & Crafts	Art/Gift/Novelty Stores
Nissan Serramonte Certified Center	New Motor Vehicle Dealers
Pacific Coast Supply	Building Materials
Pacific Nurseries	Garden/Agricultural Supplies
Ross	Family Apparel
Serramonte Ford	New Motor Vehicle Dealers
Steward Chevrolet Chrysler	New Motor Vehicle Dealers
Target	Discount Dept Stores
Team Volkswagen Subaru	New Motor Vehicle Dealers
Toyota Lease Trust	Auto Lease
Ulta Beauty	Specialty Stores

Percent of Fiscal Year Paid by Top 25 Accounts = 90.00%

2009-10

Business Name	Business Type
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores
BevMo	Convenience Stores/Liquor
Cypress Lawn Cemetery	Morticians And Undertakers
Golden Gate Acura	New Motor Vehicle Dealers
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
Honda of Serramonte	New Motor Vehicle Dealers
Jo Ann Fabrics & Crafts	Specialty Stores
Kids R Us	Specialty Stores
Kohl's	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/Agricultural Supplies
Serramonte Auto Plaza	New Motor Vehicle Dealers
Serramonte Ford	New Motor Vehicle Dealers
Sizzler	Casual Dining
Sleep Train	Home Furnishings
Stewart Chevrolet Chrysler	New Motor Vehicle Dealers
Target	Discount Dept Stores
Toyota Motor Credit	Auto Lease

Percent of Fiscal Year Paid by Top 25 Accounts = 90.44%

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

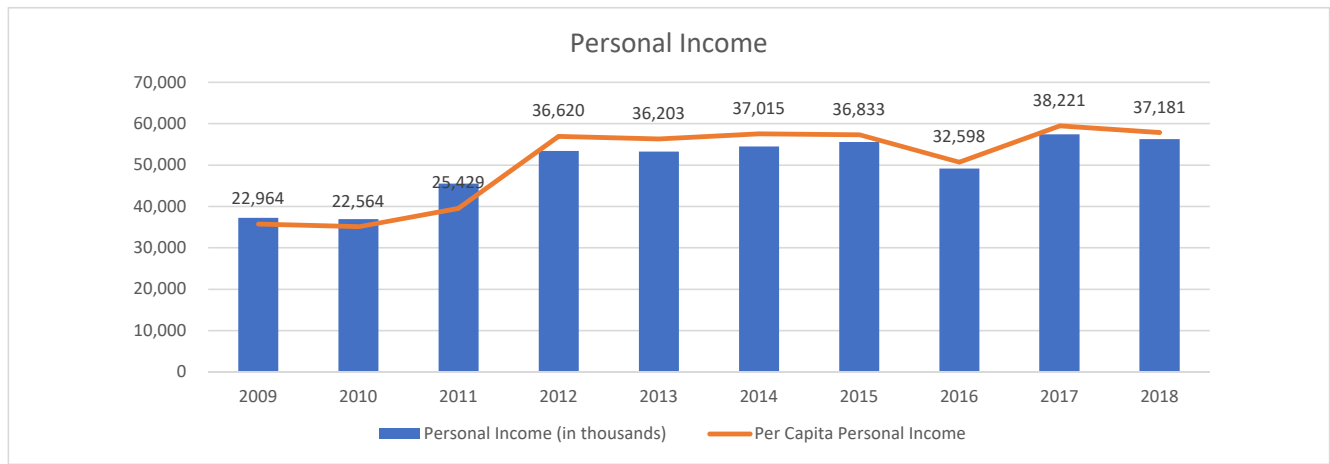
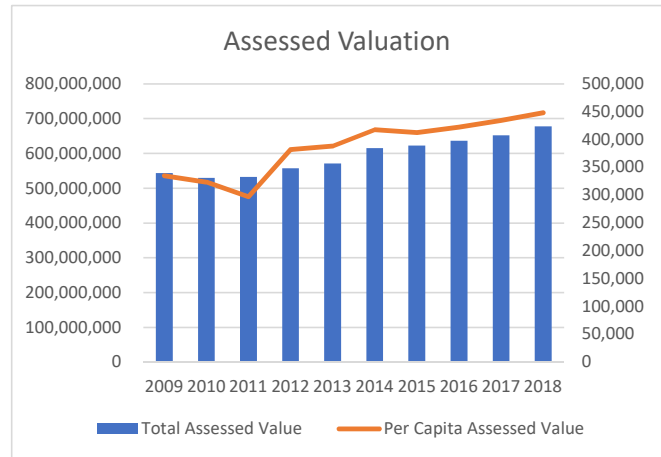
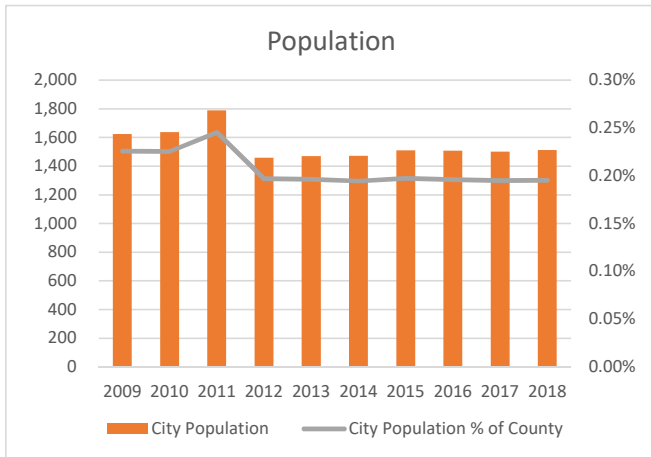
	2009	2010	2011	2012	2013
Apparel Stores	\$ 27,370	\$ 27,893	\$ 28,580	\$ 32,806	\$ 31,538
General Merchandise	119,226	115,708	124,342	127,239	125,931
Eating and Drinking Places	9,792	9,457	13,039	14,095	13,994
Auto Dealers and Supplies	215,815	229,839	265,893	341,349	412,579
Other Retail Stores	214,586	210,154	203,645	205,815	222,168
All Other Outlets	90,504	100,382	107,316	123,277	146,419
Total	\$ 677,293	\$ 693,433	\$ 742,815	\$ 844,581	\$ 952,629

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the source of the Town's revenue.

	2014	2015	2016	2017	2018
\$	31,053	\$ 30,707	\$ 35,231	\$ 40,328	\$ 38,750
	119,402	117,401	114,147	114,566	90,965
	15,528	16,383	16,998	20,466	23,018
	484,072	509,063	539,984	551,644	582,511
	225,642	228,579	225,747	237,458	238,033
	178,801	188,861	215,821	224,061	242,839
\$	1,054,498	\$ 1,090,994	\$ 1,147,928	\$ 1,188,523	\$ 1,216,116

Town of Colma
Demographic and Economic Statistic
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
2009	1,622	543,553,349	335,113	37,248	22,964	718,451	0.23%
2010	1,637	529,074,879	323,198	36,937	22,564	726,305	0.23%
2011	1,789	531,815,371	297,270	45,492	25,429	729,429	0.25%
2012	1,458	557,332,330	382,258	53,392	36,620	740,850	0.20%
2013	1,470	571,240,415	388,599	53,218	36,203	749,165	0.20%
2014	1,471	614,634,392	417,834	54,449	37,015	756,866	0.19%
2015	1,509	622,380,847	412,446	55,581	36,833	764,711	0.20%
2016	1,506	635,893,284	422,240	49,093	32,598	768,507	0.20%
2017	1,501	651,833,411	434,266	57,369	38,221	770,116	0.19%
2018	1,512	677,672,468	448,196	56,218	37,181	773,994	0.20%