



**AGENDA
REGULAR MEETING
CITY COUNCIL OF THE TOWN OF COLMA
Wednesday, February 23, 2022
7:00 PM**

The City Council meeting will be conducted virtually pursuant to the provisions of Assembly Bill 361 amending the Ralph M. Brown Act and Government Code Section 54953(e) (and without compliance with section 54953(b)(3)) related to conducting public meetings during the COVID-19 pandemic based on the current State of Emergency and the existing State recommendations on social distancing. The Council Chambers will not be open to the public for this City Council meeting.

Members of the public may view the meeting by attending, via telephone or computer, the Zoom Meeting listed below:

Join Zoom Meeting: <https://us02web.zoom.us/j/81289976261>

Passcode: 074407

Meeting ID: 812 8997 6261

Passcode: 074407

One tap mobile

+16699006833,,81289976261#,,,,,0#,,074407# US (San Jose)

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Dial by your location

+1 669 900 6833 US (San Jose)

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+1 301 715 8592 US (Germantown)

Meeting ID: 812 8997 6261

Passcode: 074407

Find your local number: <https://us02web.zoom.us/u/kco5bgxkcc>

Members of the public may provide written comments by email to the City Clerk at ccorley@colma.ca.gov before or during the meeting. Emailed comments should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda. The length of the emailed comment should be commensurate with the three minutes customarily allowed for verbal comments, which is approximately 250-300 words. Verbal comments will also be accepted during the meeting.

PLEDGE OF ALLEGIANCE AND ROLL CALL

ADOPTION OF AGENDA

PRESENTATION

- Proclamation in recognition of Black History Month

PUBLIC COMMENTS

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time. Comments on Agenda Items will be heard when the item is called.

CONSENT CALENDAR

1. Motion to Accept the Minutes from the February 9, 2022 Special Meeting.
2. Motion to Adopt a Resolution Authorizing Closing Out Mission Road Bicycle & Pedestrian Improvement Project (CIP #903) and Adding Mission Road Landscaping Enhancements Project (CIP #908) and Mission Road Crosswalk Project (CIP #909) to the FY 2021-22 Capital Improvement Program.

NEW BUSINESS

3. **FY 2020-21 AUDITED FINANCIAL STATEMENTS AND REPORTS**

Consider: Motion to Adopt a Resolution Accepting Auditor's Reports and Financial Statements For The Fiscal Year Ending June 30, 2021.

4. **FY 2021-22 MID-YEAR FINANCIAL UPDATE & BUDGET AMENDMENT**

Consider: Motion to Accept the Fiscal Year 2021-22 Mid-Year Financial Report Through December 31, 2021 and Authorizing a Copy to be Posted on the Town's Website.

STUDY SESSION

5. **PUBLIC ART IN COLMA**

This item is for discussion only; no action will be taken at this meeting.

6. **NEW LAWS IN 2022**

This item is for discussion only; no action will be taken at this meeting.

REPORTS

Mayor/City Council

City Manager

ADJOURNMENT

The City Council Meeting Agenda Packet and supporting documents are available for review on the Town's website www.colma.ca.gov or at Colma Town Hall, 1198 El Camino Real, Colma, CA. Persons interested in obtaining an agenda via e-mail should call Caitlin Corley, City Clerk at 650-997-8300 or email a request to ccorley@colma.ca.gov.

Reasonable Accommodation

Upon request, this publication will be made available in appropriate alternative formats to persons with disabilities, as required by the Americans with Disabilities Act of 1990. Any person with a disability, who requires a modification or accommodation to view the agenda, should direct such a request to Pak Lin, ADA Coordinator, at 650-997-8300 or pak.lin@colma.ca.gov. Please allow two business days for your request to be processed.

**MINUTES
SPECIAL MEETING**

City Council of the Town of Colma
Meeting Held Remotely via Zoom.us
Wednesday, February 9, 2022
5:30 PM

PLEDGE OF ALLEGIANCE AND ROLL CALL – 5:30 PM

Mayor Helen Fiscaro called the meeting to order at 5:33 p.m.

Council Present –Mayor Helen Fiscaro, Vice Mayor Raquel Gonzalez, Council Members Joanne F. del Rosario, John Irish Goodwin and Diana Colvin were all present.

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Administrative Services Director Pak Lin, Chief of Police John Munsey, Director of Public Works Brad Donohue, City Planner Farhad Mortazavi, Recreation Services Manager Angelika Abellana, and City Clerk Caitlin Corley were in attendance.

The Mayor announced, “Welcome to another of our completely remote Council Meeting. As always, we are accepting public comments through email or the zoom chat function—you can email our City Clerk at ccorley@colma.ca.gov or use the chat function to let her know which item you would like to speak on. Please keep your comments to 3 minutes or less. Thank you.”

ADOPTION OF THE AGENDA

Mayor Fiscaro asked if there were any changes to the agenda; none were requested. She asked for a motion to adopt the agenda.

Action: Council Member del Rosario moved to adopt the agenda; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	5	0			

CONSENT CALENDAR

1. Motion to Accept the Minutes from the January 26 Regular Meeting.
2. Motion to Approve Report of Checks Paid for January 2022.
3. Motion to Reconfirm Findings and Determinations Under Resolution No. 2021-33 and Assembly Bill 361 for the Continuation of Virtual Meetings.

Action: Council Member Colvin moved to approve the consent calendar items #1 through 3; the motion was seconded by Vice Mayor Gonzalez and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	5	0			

NEW BUSINESS

4. STATUS UPDATE TO 2020-2022 STRATEGIC PLAN

City Manager Brian Dossey presented the staff report. Mayor Fiscaro opened the public comment period after each of the five sections to allow members of the public to speak or ask questions. At 6:39 p.m., resident Ken Gonzalez made a comment during the discussion on the Community section. Council discussion occurred throughout. Council Member Goodwin recused himself from the discussion on two occasions, due to his ownership of property within 500 feet of the projects. First, from 5:46 p.m. to 5:48 p.m., during the discussion of the sale of 1365 Mission Road, the City Clerk removed his audio and video capabilities; and again, from 6:56 p.m. to 6:58 p.m. during the discussion of the Mission Road Improvement Project, the City Clerk removed his audio and video capabilities.

Action: Council Member Goodwin moved to Accept Update to 2020-2022 Town of Colma Strategic Plan; the motion was seconded by Council Member del Rosario and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	5	0			

ADJOURNMENT AND CLOSE IN MEMORY

Mayor Fiscaro adjourned the meeting at 7:19 p.m. in memory of Alida Silva, mother of former longtime Council Member Joe Silva; James Hollis, longtime Colma resident who was very active in the recreation department; Frawley Lynch, longtime community member and Colma Historical Association supporter; Captain Vidal "Max" Fortuna, Stockton Fire Captain who was killed while on duty last week; and Daniel Grant, brother of Sergeant Christopher Grant.

Respectfully submitted,

Caitlin Corley
City Clerk





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brad Donohue, Director of Public Works
 Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: February 23, 2022
 SUBJECT: Mission Road Projects Update

RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION AUTHORIZING CLOSING OUT MISSION ROAD BICYCLE & PEDESTRIAN IMPROVEMENT PROJECT (CIP #903) AND ADDING MISSION ROAD LANDSCAPING ENHANCEMENTS PROJECT (CIP #908) AND MISSION ROAD CROSSWALK PROJECT (CIP #909) TO THE FY 2021-22 CAPITAL IMPROVEMENT PROGRAM.

EXECUTIVE SUMMARY

In a City Council Study Session in April of 2021, the City Council reviewed the merits of obtaining a portion of Holy Cross' property that fronts Mission Road for the purposes of landscaping and providing added beautification for the residents and businesses in the Mission Road area. At the same meeting, staff was directed to construct a high visible crosswalk near the north entrance of Holy Cross to assist members of the public who wish to cross the street in that location.

At the time it was assumed that both the landscaping project and the crosswalk project would be packaged together in one bid solicitation as an additional phase to the Mission Road Bicycle and Pedestrian Improvement Project. After reviewing the scope of work for the landscape project and the street project, it is clear the projects will require different contractors with completely different skill sets. Staff has determined that in the best interest of attracting competitive bids, the two projects should be package separately and not together.

Staff recommends that City Council closeout the Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) and amend the FY 2021-22 Capital Improvements Program (CIP) to include two new capital projects, the Mission Road Landscaping Enhancements Project (CIP #908) and Mission Road Crosswalk Project (CIP #909)

FISCAL IMPACT

There is no fiscal impact to close out CIP #903 and add CIP #908 and CIP #909 to the FY 2021-22 CIP.

BACKGROUND

The Town applied for and was granted funds to improve pedestrian and bicycle mobility in the Mission Road area. What originally started off as an improvement project for ADA upgrades and bike path improvements has grown into a project to help revitalize the Mission Road Commercial/Residential District by providing continuous pedestrian walkways and bicycle paths, installing several high visible crosswalks, street lighting, green landscaping infrastructure and other improvements.

CIP #903 was completed in July 2021, and a notice of completion was approved by the City Council on July 14, 2021, and filed with the County of San Mateo. The total project cost of CIP #903 was \$2,860,000, with \$1.67 million funded by various Federal, State, and county grants. With this phase of the project complete, the next phase has begun.

ANALYSIS

On July 28, 2021, the Archdiocese of San Francisco donated a portion of the Holy Cross Cemetery property along Mission Road to the Town. Additionally, the City Council directed staff to reinstall the crosswalk at the North side of the Holy Cross property on one side of the roadway to create a crosswalk that would be in close proximity to an entrance to the Treasure Island Trailer Park. A budget of \$40,000 was programmed for landscape design, plans and specifications for the open land area that fronts Holy Cross's property along Mission Road and for the design and plans and specifications for the proposed cross walk.

CIP #903 was originally kept open to account for activities in the design and construction phase of the Mission Road landscape enhancements and the additional crosswalk installation. Since CIP #903 has multiple Federal and State grant funding, it is best to close out the project and create two separate future projects, the Mission Road Landscaping Enhancements Project (CIP #908) and the Mission Road Crosswalk Project (CIP #909). This includes moving the \$40,000 City Council approved design budget from CIP #903 to CIP #908 (\$29,000) and to CIP #909 (\$11,000).

Council Adopted Values

The City Council's action in authorizing the close out of the Mission Road Project and creating two new project budgets for the remaining portions of work is the *responsible* course of action as it will ensure close out of the Mission Road Project which was subject to numerous financial grant requirements.

CONCLUSION

Staff recommends that City Council adopt a resolution authorizing closing out the Mission Road Bicycle & Pedestrian Improvement Project (CIP #903) and adding the Mission Road Landscaping

Enhancements Project (CIP #908) and Mission Road Crosswalk Project (CIP #909) projects to the FY 2021-22 CIP and moving design budget from CIP #903 to CIP #908 and CIP #909.

ATTACHMENTS

- A. Resolution
- B. Project Descriptions



**RESOLUTION NO. 2022-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

RESOLUTION AUTHORIZING CLOSING OUT MISSION ROAD BICYCLE & PEDESTRIAN IMPROVEMENT PROJECT (CIP #903) AND ADDING MISSION ROAD LANDSCAPING ENHANCEMENTS PROJECT (CIP #908) AND MISSION ROAD CROSSWALK PROJECT (CIP #909) PROJECTS TO THE FY 2021-22 CAPITAL IMPROVEMENT PROGRAM.

The City Council of the Town of Colma hereby resolves:

1. Background.

(a) The Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) was completed in July 2021, and a notice of completion was approved by the City Council on July 14, 2021 and filed with the County of San Mateo;

(b) On July 28, 2021, the Archdiocese of San Francisco donated a portion of the Holy Cross Cemetery property along Mission Road. Additionally, the City Council directed Staff to reinstall the crosswalk at the North side of the Holy Cross property creating a crosswalk that would be in close proximity to an entrance to the Treasure Island Trailer Park;

(c) The Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) was kept open to account for activities in the design and construction phase of the Mission Road landscape enhancements and the additional crosswalk installation; and

(d) At the time it was assumed that both landscaping project and the crosswalk project would be packaged together in one bid solicitation as an addition phase to the Mission Road Bicycle and Pedestrian Improvement Project (CIP #903).

2. Findings.

The City Council finds as follows:

(a) After reviewing the scope of work for the landscape project and the street project, the projects will require different contractors with completely different skill sets; and

(b) Since the Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) has multiple Federal and State grant funding, it is best to close out the project and create two separate projects, the Mission Road Landscaping Enhancements Project (CIP #908) and the Mission Road Crosswalk Project (CIP #909).

3. Order.

Now, therefore, the City Council does hereby order that:

(a) The Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) is closed;

(b) The Mission Road Landscaping Enhancements Project (CIP #908) is added to the Fiscal Year 2021-22 Capital Improvement Program;

(c) The Mission Road Crosswalk Project (CIP #909) is added to the Fiscal Year 2021-22 Capital Improvement Program;

(d) \$29,000 of the Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) design budget is moved to the Mission Road Landscaping Enhancements Project (CIP #908) planning and design budget;

(e) \$11,000 of the Mission Road Bicycle and Pedestrian Improvement Project (CIP #903) design budget is moved to the Mission Road Crosswalk Project (CIP #909) planning and design budget; and

(f) This resolution shall become effective upon its adoption.

Certification of Adoption

I certify that the foregoing Resolution No. 2022-## was duly adopted at a regular meeting of said City Council held on February 23, 2022 by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor					
Diana Colvin					
Raquel "Rae" Gonzalez					
Joanne F. del Rosario					
John Irish Goodwin					
<i>Voting Tally</i>					

Dated _____

Helen Fiscaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

MISSION ROAD LANDSCAPING (908)

FY 2021-22 BUDGET: \$29,000

Description & Scope

After completion of the Mission Road Bicycle and Pedestrian Improvement Project, a second phase of the project was to landscape the open area between Holy Cross's Historic Rock Wall and the back of sidewalk that fronts Holy Cross Cemetery on Mission Road. The landscape design will be to emphasize drought resistance low maintenance plants and scrubs. The tree pallet will be species of trees that thrive in Colma micro climate along with providing color to enhance the roadway frontage and shade for those who walk through the Mission Road Residential and Business District. The landscape area will have rest stops that will be constructed to meet accessibility requirements, park benches, trash recepticals and a dog mitt station.

Project Status

The project is in the construction drawing phase. The Construction drawing Phase will include Plans that will be ready to go to bid, specifications that will detail out the specifics of the project and a engineer's estimate for the work and any other associated costs such as contingencies and construction management.

Cost & Funding

Cost for design and preparation of the Plans, specifications and engineers estimate is \$29,000. Cost for construction and other associated costs will be presented at the time the project is awarded.

FUNDING SUMMARY	AMOUNT
FY 2021-22	
General Fund	\$29,000
	\$29,000

PROJECT COST	AMOUNT
FY 2021-22	
Planning & Design (81002)	\$29,000
	\$29,000

Schedule

The Construction Plans, Specifications and Estimates (PS&E's) are scheduled to be completed in March of 2022 and anticipated to go to bid in April/May of 2022.

Impact on Operation

The Plant pallet is will be low maintenance and drought resistance, after the the plants, schrubs and Trees reach some level a maturity annual cost should be brought down substacially. Irrigationwch is a large part of the annual cost is being supplied by Holy Cross.

MISSION ROAD CROSSWALK (909)
FY 2021-22 BUDGET: \$11,000

Description & Scope

Design and construct a High Visabile Crosswalk on Mission Road at the Back entrance to the Tresure Island Trailor Park. The High Visible Crosswalk will be delinated with pre-emptive signage, viable pavement markings and pedestrian activated solar powered Rectangular Rapid Flashing Beacons (RRFB's). A crosswalk option be included in the bid documents as a bid alternative an elevated pedestrian crosswalk, (Speed Hump).

Project Status

The project is in the construction drawing phase. The Construction drawing Phase will include Plans that will be ready to go to bid, specifications that will detail out the specifics of the project and a engineer's estimate for the work and any other associated costs such as contingencies and construction management.

Cost & Funding

Cost for design and preparation of the Plans, specifications and engineers estimate is \$11,000. Cost for construction and other associated costs will be presented at the time the project is awarded.

FUNDING SUMMARY	AMOUNT
FY 2021-22	
General Fund	\$11,000
	\$11,000

PROJECT COST	AMOUNT
FY 2021-22	
Planning & Design (81002)	\$11,000
	\$11,000

Schedule

The Construction Plans, Specifications and Estimates (PS&E's) are scheduled to be completed in March of 2022 and anticipated to go to bid in April/May of 2022.

Impact on Operation

Once installed, annual cost to maintain is neglabale, to replenish street markings is anticipated to be every 3 to 5 years.



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: February 23, 2022
 SUBJECT: FY 2020-21 Audited Financial Statements and Reports

STAFF RECOMMENDATION

Staff recommends that the Council adopt:

RESOLUTION ACCEPTING AUDITOR'S REPORTS AND FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021

EXECUTIVE SUMMARY

The Town engages R.J. Ricciardi, Certified Public Accountants to conduct an audit and review of the Town's basic financial statements and compliance reports for Measure A and Measure W Transportation Funds for the Fiscal Year Ending, June 30, 2021. Additionally, the Auditor has conducted an agreed-upon procedure review of the Town's Appropriation Limit (Gann Limit) for FY 2021-22. In the audit and review, the Auditor found that:

1. The Basic Financial Statements present the Town's financial position in a fair and accurate manner in all material aspects and the auditors did not find any notable deficiencies in the Town's Internal Control.
2. The Auditor has issued separate compliance reports regarding the receipt and use of Measure A and Measure W Transportation funds, per the request of the County of San Mateo.
3. The Auditor reviewed the Appropriations Limit (Gann Limit) calculation and issued a report which had found no exceptions in the calculations.

As part of the audit, the Auditor provided a Management Report documenting their assessment of the Town's internal controls over financial reporting. As stated on Page 4 of Attachment C, the auditors found no observations.

FISCAL IMPACT

This is for reporting purposes. No fiscal impact.

BACKGROUND

The Town's financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) and reporting requirements of the Governmental Accounting Standard Board (GASB).

For Fiscal Year ending June 30, 2021, the Town engaged R.J. Ricciardi, CPA to conduct an independent audit and review of the Town's financial statement for the fiscal year ending June 30, 2021. The audit includes the agreed-upon procedures, review, and audit of various reports. The Auditor's opinion on the following reports are attached as B through F.

- The Annual Comprehensive Financial Report (ACFR) for FY 2020-21,
- Management Report for FY 2020-21,
- Measure A Fund Component Unit Financial Statements for FY 2020-21,
- Measure W Fund Component Unit Financial Statements for FY 2020-21, and
- Appropriations Limit Calculation for FY 2021-22.

A representative from the firm will be at the Council meeting to present the audit and answer any questions the Council may have.

ANALYSIS

Overall, the Town received a "clean" audit for FY 2020-21 with no adverse findings or recommendations. As part of the audit, R.J. Ricciardi also assessed the Town's internal control and noted in Attachment C, FY 2020-21 Management Reports that they did not find any observations.

Report Organization

1. Annual Comprehensive Financial Report (Attachment B).

The Annual Comprehensive Financial Report (ACFR or Annual Report) for Fiscal Year Ending June 30, 2021 has more content than the previous years' basic financial statements. The Annual Report is organized into three major sections:

- INTRODUCTORY SECTION** has the Table of Contents, Town Officials, and Town Organization Chart. The Transmittal Letter was added in accordance with ACFR guidelines.
- FINANCIAL SECTION** contains the Independent Auditors' Report, Management's Discussion & Analysis (MD&A), Basic Financial Statements, Notes to Basic Financial Statements, Required Supplemental Information, and Supplementary Information.

Independent Auditors' Report summarizes the auditors' responsibility regarding the financial statements, their audit opinion, and other matters and information in the Financial Report.

Management Discussion & Analysis (MD&A) for FY 2020-21 (Pg. 3-17), provides highlights on the Town's financial condition, overall economic conditions, and a FY 2020-21 Budget overview.

The Financial Section presents the Town's activities in two formats - Governmental-wide financial statements (Pg. 20-22) and Fund Financial Statements (Pg. 23-26).

- **Governmental-wide Financial Statements** presents both governmental and business-type activities on full-accrued basis. The reconciliations for governmental funds to change from modified accrued basis to full accrued can be found on page 24 and 26 of the report.
- **Fund Financial Statements** presents major government funds on modified accrued basis and proprietary funds on full-accrued basis.

Reporting the activities in different accounting basis are required by GASB pronouncements. The definition of full-accrued vs modified accrued basis of accounting can be found under Note 1C on Page 31.

Required Supplemental Information (Pg. 61-68) includes a Budget to Actual comparison schedule for the General Fund and historical information on pension and OPEB liabilities.

Supplemental Information (Pg. 71-75) presents the combined Balance Sheet and Schedules of Revenues, Expenditures, and Changes in Fund Balance for all non-major governmental funds. Budget to Actual for non-major funds were added in accordance with ACFR guidelines.

- c. **STATISTICAL SECTION** included in pages 78-97 which include multi-year comparisons for key financial data. Several financial trends were added in accordance with ACFR guidelines.

Key Notes and Changes

ACFR vs BASIC FINANCIALS

Annually, the Town is required to submit the audited basic financial statements to various governing boards. The basic financial statements are prepared in accordance with Generally Accepting Accounting Principles (GAAP) and Governmental Accounting Standard Boards (GASB) guidelines.

In 1945, the Governmental Finance Officers Association (GFOA) established the Annual Comprehensive Financial Report (ACFR) program with the purpose of providing a more comprehensive and detailed illustration of a community's financial condition. Those who participate in this program may submit the audited ACFR to GFOA for review for

the "Excellence in Financial Reporting" award. This is the first year, the Town's financial report is prepared in accordance with GFOA ACFR guidelines.

2. Management Report (Attachment C)

As part of the Audit process the Auditors also review procedures and make recommendations on improvements as part of a Management Report (See Attachment C). The Auditors did not make any reportable findings with the current year work.

3. Measure A Transportation Funds (Attachment D)

The Town receives \$65,884 in Measure A Transportation Funds from San Mateo County. The Measure A Program requires the Town to complete a separate audit of these funds (See Attachment D). In addition to financial testing of transactions the Auditors do additional review to provide a reasonable assurance that the Town of Colma has complied with certain provisions of Measure A.

The Town designated \$320,000 of Measure A funds for the construction phase of the Mission Road Improvement Project. In FY 2020-21, the construction phase of the Mission Road Improvement Project was completed, and the \$320,000 designated fund was transferred to Fund 32, Colma's Street Capital Improvement Fund.

4. Measure W Transportation Funds (Attachment E)

The Town receives \$30,769 per year in Measure W Transportation Funds from San Mateo County. The Measure W Program requires the Town to complete a separate audit of these funds (See Attachment E). In addition to financial testing of transactions the Auditors do additional review to provide a reasonable assurance that the Town of Colma has complied with certain provisions of Measure W.

No Measure W expenditures were made by the Town in FY 2020-21. Staff will allow the fund to accumulate until it is sufficient to be used for a capital project.

5. Appropriations Limit (Attachment F)

Annually the Town is required to calculate an Appropriations Limit which is presented in the Budget and adopted by the Council. State Law does not require an "Audit" of the proceeds of taxes but does require a review completing specific procedures. This review was completed by the Auditors with no exceptions being noted (See Attachment F).

Reasons for the Recommended Action/Findings

Acceptance of the FY 2020-21 audited/reviewed financial statements and reports will authorize Staff to publish and distribute them to various interested parties and ensure compliance with the Town's debt issuance requirements.

Council Adopted Values

Approval of the attached resolution is consistent with the Council's core value of responsibility because the annual audit process provides an objective, expert assessment of the Town's financial condition and financial reporting process.

Alternatives

None. In addition to supporting good governance, the completion of Audited Financial Statements is a requirement of the Certificate of Participation (COP) debt issuance and rules imposed by the SEC.

CONCLUSION

Staff recommends the City Council receive the presentation from the Town's auditor, then adopt a resolution accepting the Auditor's reports for Fiscal Year 2020-21.

ATTACHMENTS

- A. Resolution - Accepting Auditor Reports for FY 2020-21
- B. FY 2020-21 Annual Comprehensive Financial Reports
- C. FY 2020-21 Management Report
- D. FY 2020-21 Measure A Fund Component Unit Financial Statements
- E. FY 2020-21 Measure W Fund Component Unit Financial Statements
- F. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet



**RESOLUTION NO. 2022-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION ACCEPTING AUDITOR'S REPORTS AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

The City Council of the Town of Colma does hereby resolve as follows:

1. Background

(a) R.J. Ricciardi, Certified Public Accountants (Auditor) undertook, pursuant to contract with the Town of Colma, to perform an independent audit of the Town's FY 2020-21 Financial Statements and the Town's FY 2020-21 Measure A and Measure W Fund Component Unit Financial Statement, and to prepare an Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets.

(b) The Auditor reported that it has completed said audit and has found that the financial statements 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, 2021, and the respective changes in the financial position for the year then ended. The Auditor further reported that all the financial statements were in conformity with U.S. generally accepted accounting principles.

(c) The Auditor made no supplemental recommendations on the Town's financial procedures.

(d) The Auditor reviewed the calculation of the Fiscal Year 2021-22 appropriations limit in the amount of \$57,274,771. No exceptions were identified in the calculations made by the Town.

2. Findings

The City Council finds that the balances as presented in the Financial Statements for the fiscal year ending June 30, 2021 are accepted and shall be reflected in the Town accounting records.

3. Reports and Audited Statements Accepted

The reports of the Auditor, the Town's FY 2020-21 Audited Financial Statements, the Town's FY 2020-21 Audited Measure A and Measure W Fund Component Unit Financial Statement, and the Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets are hereby accepted. The City Manager shall take all necessary steps to file and distribute the reports as required by external agencies.

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Certification of Adoption

I certify that the foregoing Resolution No. 2022-## was duly adopted at a regular meeting of the City Council of the Town of Colma held on February 23, 2022, by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fisicaro, Mayor					
Raquel Gonzalez					
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin, Mayor					
<i>Voting Tally</i>					

Dated _____

Helen Fisicaro, Mayor

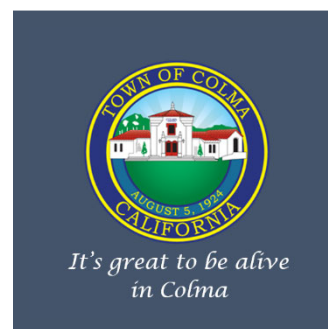
Attest: _____
Caitlin Corley, City Clerk



Town of Colma, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021



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Annual Comprehensive Financial Report

June 30, 2021

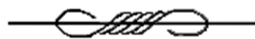


Town of Colma, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021**

**Prepared by
Town of Colma
Administrative Services Department
Town of Colma, California**

Introductory Section





Annual Comprehensive Financial Report

June 30, 2021

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Annual Comprehensive Financial Report

June 30, 2021

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**TOWN OF COLMA, CALIFORNIA
TRANSMITTAL LETTER
FOR THE FISCAL YEAR JUNE 30, 2021**



February 1, 2022

To the Residents of the Town of Colma,

Honorable Mayor and Members of the Town Council

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR, "Annual Report") for the Town of Colma, California (Town), for the year ended June 30, 2021. The Annual Report was prepared in accordance with principles and standards set by the Governmental Accounting Standards Board. The report presents Town's financial information on an entity-wide basis and at the fund level, with emphasis on the Town's major funds.

As part of the required presentation, the report includes a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). It presents a comparative analysis of current and prior year results, changes in financial position, financial highlights, trends and disclosure of any known significant events or decisions that affect the financial condition of the Town. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

The responsibility for the accuracy of the information and the completeness and fairness of the presentation rests on Town's management. This includes note disclosures, required supplemental information and statistical summary. We believe that the information reported is accurate in all material respects and its presentation fairly shows the financial position and the results of the Town's operations. In providing a reasonable basis for making these representations, management has established a thorough internal control system designed to protect the government's assets from loss, theft, or misuse and to compile the necessary information for preparing the Town's financial statements.

In compliance with State statutes, these financial statements have been audited by the certified public accounting firm of R.J. Ricciardi, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Colma for the year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Colma's financial statements for the year ended June 30, 2021, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

PROFILE OF THE GOVERNMENT

The Town of Colma, known as the “City of Souls,” is the smallest city in San Mateo County with 1,659 residents and 1.5 million “souls.” However, Colma is more than just 16 cemeteries. Colma’s commercial buildings make a distinct architectural statement resulting from design standards that encourage Spanish-Mediterranean motifs. Colma boasts an old-world charm all its own, from its brick-paved residential streets and ornamental street lamps, to its restored historical museum and railroad depot located at its 5,500 square foot Community Center. The state-of-the-art Police Station complements the architecture of the historic and charming Town Hall across the street. Within its two square mile boundary, the Town enjoys a strong tax base with two shopping centers, one of Northern California’s most complete collections of car dealerships, and a cardroom. There are two BART stations nearby.

It operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the governing Town Council, which consists of five Councilmembers. Town Council members are elected in overlapping four-year terms and, from amongst themselves, select a Mayor and Vice Mayor every December. The Council is responsible for passing ordinances, adopting the budget, and hiring the Town Manager and Town Attorney. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the Town staff.

The Town provides a full range of essential services through a combination of in-house staff and contract services. Services provided by the Town’s 47.35 full-time equivalent employees include public safety services, maintenance of public infrastructure, recreation, parks, and general management. The Town entered into public-private partnership in areas of planning, building, engineering, code enforcement, trash collection, and staff augmentation.

The cost to provide these essential services are reviewed annually as part of the Town’s operating and capital budget. The annual budget serves as the foundation for the Town’s financial planning, monitoring and control. All departments of the Town are required to submit requests for appropriation to the Town Manager each spring. The Town Manager uses these requests to develop a proposed budget. Prior to June 30 of each year, the Town Manager submits to the Town Council a proposed operating and capital improvement budget for review. The Council holds public hearings, and a final budget is adopted on or before June 30.

Budget to actual comparisons are provided in this report for each governmental fund for which an annual budget has been adopted. For the General Fund, this comparison is presented on page 61 as part of the required supplementary information. For governmental funds other than the General Fund, this comparison is presented in the Combining Statements and Individual Fund Statements section of this report, starting on page 71. Budgets are also adopted and controlled for the proprietary funds. Budget comparisons for proprietary funds are not legally mandated but are presented after the Combining Statements and Individual Fund Statements section of this report.

Throughout the year, the Town Manager and the Administrative Services Director monitor economic changes that may affect the Town’s revenue stream, coordinates with departments in identifying changing needs and demands, and presents budget adjustments to the Town Council as part of the mid-year review. Public inputs are filtered through the Town’s standing committees and to staff liaisons. These inputs are considered in the development of the budget and presented to the Town Council for consideration as part of the budget review and throughout the year as separate Council action items.

COLMA FINANCIAL OUTLOOK

As shown in the Basic Financial Statements, starting on page 20, the Town is financially healthy. As of June 30, 2021, the Town has an outstanding debt of \$4.55 million, an unfunded pension liability of \$10.99 million, unfunded OPEB liability of \$11.20 million, and the total unrestricted fund balance is \$11.02 million, available to meet current and future liabilities.

LOCAL ECONOMIC CONDITIONS AND ITS IMPACT ON THE TOWN

For FY 2020-21, the Town's focused on providing essential services to the community during the COVID-19 pandemic while staying fiscally sound. This included partnering with Second Harvest Food Bank of San Mateo County, delivering food and other essentials to high-risk residents and partnering with the business community in developing creative solutions to allow businesses to continue to operate during the Shelter-in-place order and social distancing mandates.

In the first three months of the shelter-in-place order, the Town saw an immediate decline in sales and cardroom tax revenues of \$2.16 million from March through June of 2020. As a result, the Town projected a revenue shortfall of \$4.73 million revenue shortfall in FY 2020-21 compared to prior years and requiring the use of \$2.20 million of unassigned General Fund reserves. The Town also reduced operating expenditures significantly, deferred capital purchases, and invested in essential capital improvement projects.

By March 2021, the Town received its first positive news since the start of the pandemic. The Town's sales tax consultant shared that the Wayfair Decision generated \$0.5 million more in sales tax distribution than anticipated. Additionally, transactions from car sales and construction materials increased in the last few quarters of COVID.

The pathway to reopening California also allowed many of the businesses to reopen with either reduced capacity or outdoor options. This flexibility restored the Town's monthly cardroom tax partially, increasing from \$20,000 per month to \$150,000 per month. By June 2021, with the full reopening of California, cardroom tax revenues restored to pre-COVID level at \$350,000 per month.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The combination of better-than-expected sales and cardroom tax revenues and the reduced spending level in FY 2020-21 resulted in a \$5.09 million operating surplus in General Fund, before transfers. While this is great news for the fiscal year ended June 30, 2021, the Town must remain vigilant on future threats.

As part of the 2020-2022 Strategic Plan approved by the Council on February 13, 2020, the Town started the planning phase of long-term strategies. These strategies include revenue diversification, economic development, and infrastructure programs. Even before the pandemic, the Town saw consumer behavior changing from fewer in-store purchases to greater online purchases. We expected sales tax revenues to slow as a result of this change. This consumer behavior changed more dramatically during the pandemic and it is important for staff to start looking at how to stabilize our revenues through diversification.

Pre-COVID-19, The Town also saw that investments in the Town's public infrastructure can improve safety for residents and visitors and promote commercial growth. With the completion of the Serramonte Blvd/Collins Avenue Master Plan and the El Camino Real Bicycle and Pedestrian Plan, the Town will look to start the next phase of these projects. The FY 2021-22 budget includes consultants cost for economic development and a sewer enterprise fund assessment to prepare the Town for future economic changes.

For more details on the 2020-2022 Strategic Plan and the FY 2020-21 Strategic Plan update can be found on the Town's website under the Town Manager/Town Clerk's Office section.

Lastly, the Town is committed to continue funding the OPEB and pension 115 trusts to reduce future unfunded liabilities and to stabilize the rising pension cost.

RISK MANAGEMENT

The Town is a member of the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a joint powers insurance authority that consists of 28 member cities in the San Francisco Bay Area. The PLAN JPA was established to provide liability insurance, claims, risk management, and legal defense services to participating members. The program provides the Town with liability coverage up to a maximum of \$10 million, with the Town maintaining a self-insured retention of \$50,000. The Town also maintains workers' compensation coverage to a maximum of \$5.0 million. The Town pays the self-insured retention as part of the General Fund operating budget and maintains general fund litigation reserves of \$100,000. The Town has implemented, and is in compliance with Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.

AWARD AND ACKNOWLEDGEMENT

We wish to extend our appreciation to all of the Town staff who contributed financial information to this report. Special thanks go to Cassandra Weatherly and Jeanne O'Brien for their continued support of the Finance Department and efforts in the preparation and production of this report.

We would also like to thank the Town Council for their continued interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Brian Dossey
Town Manager



Pak Lin
Administrative Services Director

**TOWN OF COLMA, CALIFORNIA
TOWN OFFICIALS
FOR THE FISCAL YEAR JUNE 30, 2021**

Elected Town Officials

Mayor	Diana Colvin
Vice Mayor	Helen Fiscaro
Council Member	Raquel "Rae" Gonzalez
Council Member	Joanne F. del Rosario
Council Member	John Irish Goodwin

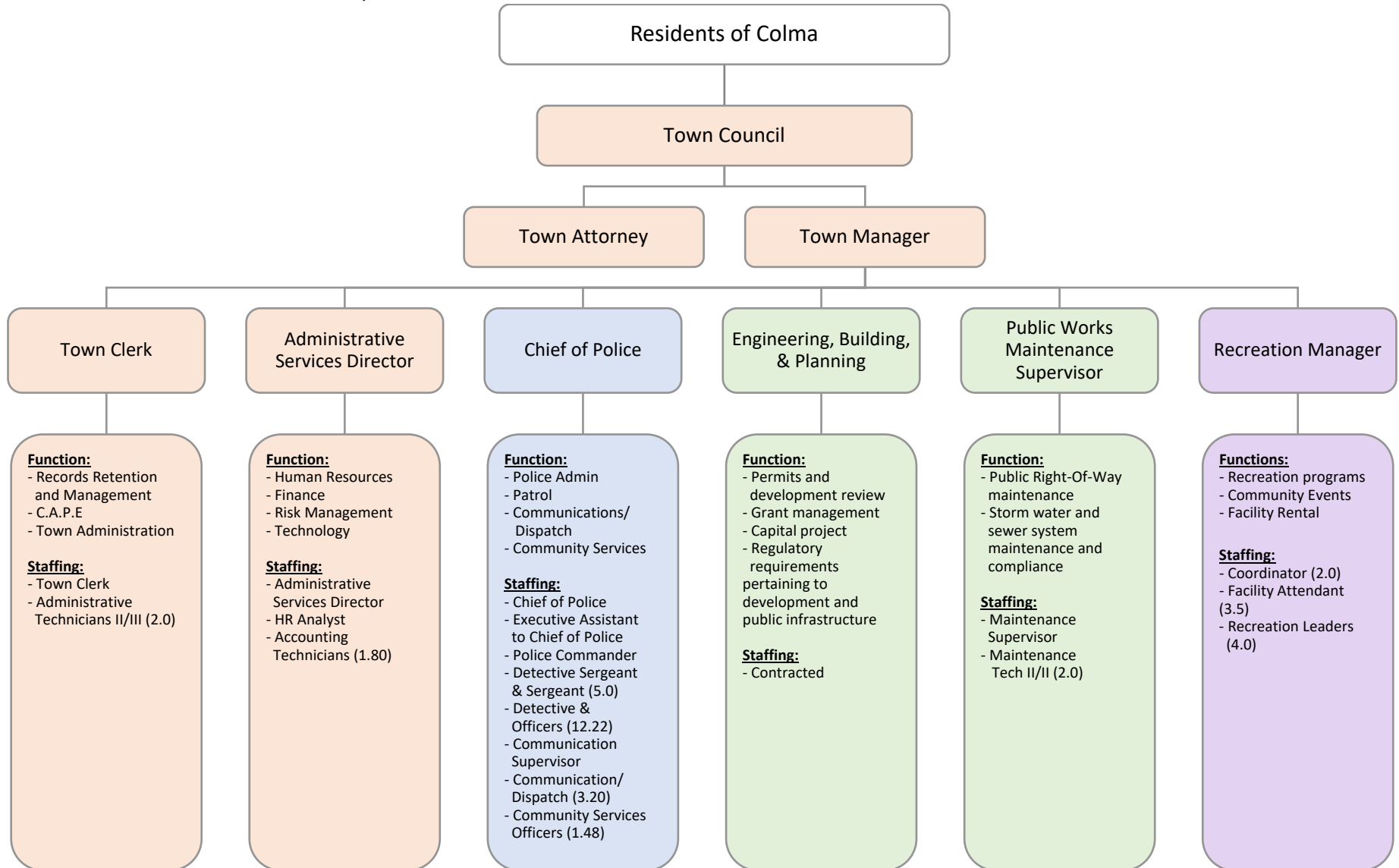
Appointed Town Officials

Town Manager	Brian Dossey
Town Clerk	Caitlin Corley
Chief of Police	John Munsey
Administrative Services Director	Pak Lin
Recreation Manager	Angelika Abellana

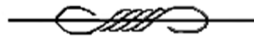
Town Services Provided Under Contract

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

**TOWN OF COLMA, CALIFORNIA
ORGANIZATIONAL CHART
FOR THE FISCAL YEAR JUNE 30, 2021**



Financial Section



Annual Comprehensive Financial Report

June 30, 2021

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Annual Comprehensive Financial Report

June 30, 2021

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Colma, as of and for the year ended June 30, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Colma, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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 54-60) 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022, on our consideration of Town of Colma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Colma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 1, 2022

TOWN OF COLMA, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR JUNE 30, 2021

This is Management's Discussion and Analysis of financial activities for the fiscal year ended June 30, 2021. This information should be read together with the transmittal letter, financial statements, and notes to the basic financial statements to better understand the Town of Colma's (the Town) financial position.

The Town has prepared its Annual Comprehensive Financial Report in accordance with accounting principles generally accepted in the United States of America (GAAP) and all Governmental Accounting Standards Board (GASB) pronouncements that affect the Town.

FISCAL YEAR 2021 FINANCIAL HIGHLIGHTS

It is notable that the financial highlights and analyses below compare two fiscal years with dramatically different conditions. The fiscal year ended June 30, 2020 includes three months of complete closure due to the COVID-19 pandemic, while the fiscal year ended June 30, 2021 includes twelve months of partial closure as residents and businesses adapted to the COVID-19 restrictions.

Key financial highlights of the year are as follows:

- The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74.73 million. Of this amount, \$56.07 million was invested in capital assets, \$8.23 million was restricted net position and must be used for specific purposes, and the remaining \$10.43 million was unrestricted net position.
- The Town's governmental fund balances was \$38.06 million, an increase of \$3.19 million. Of this amount, \$13.30 million was unassigned fund balance and available for spending at the Town's discretion.
- The Town's proprietary funds consist of activities in sewer and town properties operations. The Town's proprietary fund stayed relatively the same at \$2.57 million and has \$0.24 million as unrestricted net position and available for use at the Town's discretion.
- Total governmental fund revenues increased by \$4.61 million, to \$21.25 million. Sales taxes revenues increased by \$3.10 million to \$13.62 million due to the passage of AB147, which pertains to online sales tax reporting and remittance requirements. Intergovernmental revenues rose by \$1.38 million to \$1.88 million because the Town received capital improvement grant reimbursements during the year. The grants were restricted for specific purposes.
- Total governmental fund expenditures increased by \$2.45 million, to \$18.20 million. The increase is primarily related to construction activities for the Mission Road Bicycle and Pedestrian Improvement project.
- The Town's General Fund balances increased by \$4.67 million, to \$35.05 million. Of the amount, \$7.64 million is restricted to Pension and OPEB trust, \$13.3 million is committed to various budget stabilization reserves, \$0.95 million is assigned per Town Council initiatives, and \$13.30 million is unassigned and available for spending at the Town's discretion.

TOWN OF COLMA, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR JUNE 30, 2021

- Total General Fund revenues increased by \$3.88 million, to \$19.78 million, and is driven by favorable sales tax results due to AB147 and contribution to Pension and OPEB trusts. More details on AB147 are available in the General Fund analysis below.
- Total General Fund expenditures had a \$0.52 million increase or 4%, to \$14.71 million. General government and public safety experienced the most increase during the year, while public works, recreation, and planning saw a decline in expenditures due to COVID-19 limitations. The main driver of the increase in general government and public safety is related to retiree medical reimbursements in accordance with the Town's personnel policies and Memorandum of Understanding.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – a management's discussion and analysis (this section), the basic financial statements, required supplementary information, supplemental information consisting of the combining statements for nonmajor governmental funds and budget to actual comparison statements, and a statistical section. The basic financial statements include two kinds of statements that present different views of the Town.

THE BASIC FINANCIAL STATEMENTS

This section introduces the reader to the Town's three basic financial statements: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Governmental-Wide Statements

The governmental-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.

TOWN OF COLMA, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR JUNE 30, 2021

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.

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 Capital Project Fund and the Street Capital Fund are also a Major Funds for the year ended June 30, 2021. 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 three others).

Proprietary funds

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.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

All financial statements are presented in conformance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis* (MD&A) – for State and Local Governments. Prior year information is made available for a comparative analysis of government-wide data.

STATEMENT OF NET POSITION (FIGURE 1)

As of June 30, 2021, the Town's primary government net position is \$74.72 million, an increase of \$3.19 million from 2020. Of the \$74.72 million, \$72.15 million is in governmental activities and \$2.57 million in business-type activities.

Figure 1

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$40.17	\$36.68	\$0.24	\$0.14	\$40.41	\$36.82
Capital assets, net of accumulated depreciation	58.28	58.14	2.34	2.42	60.62	60.56
Total assets	98.45	94.82	2.58	2.56	101.03	97.38
Deferred outflows	5.83	6.30	-	-	5.83	6.35
Current liabilities	1.50	1.18	0.01	0.01	1.51	1.18
Long-term liabilities	27.90	28.53	-	-	27.90	28.53
Total liabilities	29.40	29.71	0.01	0.01	29.41	29.71
Deferred inflows	2.73	2.44	-	-	2.73	2.49
Net position:						
Invested in capital assets, net of debt	53.73	53.47	2.33	2.42	56.06	55.89
Restricted	8.23	6.54	-	-	8.23	6.54
Unrestricted	10.19	8.96	0.24	0.14	10.43	9.10
Total net position	\$72.15	\$68.97	\$2.57	\$2.56	\$74.72	\$71.53

By far the largest portion of the Town's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets (\$56.06 million) to provide services to its citizens. Consequently, these assets are not available for future spending. Although the town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (\$8.23 million) represents resources that are subject to external restrictions on how the funds may be used, such as future pension and OPEB obligations. The remaining balance in unrestricted net position amounts to \$10.43 million.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

STATEMENT OF ACTIVITIES (FIGURE 2)

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.

For the fiscal year ended June 30, 2021, the Town's overall net position increased by \$3.19 million from the prior fiscal year. Key elements of these changes are as follows:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 0.50	\$ 0.47	\$ 1.18	\$ 1.04	\$ 1.68	\$ 1.51
Operating grants and contributions	0.72	0.24	—	—	0.72	0.24
Capital grants and contributions	1.16	0.26	—	—	1.16	0.26
Total program revenues	2.38	0.97	1.18	1.04	3.56	2.00
General revenues:						
Taxes	16.60	14.66	—	—	16.60	14.66
Other revenues	1.20	0.84	0.03	0.09	1.23	0.93
Use of money and property	1.05	0.11	—	—	1.05	0.11
Total general revenues	18.85	15.61	0.03	0.09	18.88	16.00
Total revenues	21.23	16.58	1.21	1.13	22.44	18.00
Expenses:						
General government	4.45	3.80	0.16	0.15	4.61	3.95
Public safety	8.30	7.17	1.04	0.95	9.34	8.12
Public works	4.18	3.04	—	—	4.18	3.04
Planning	0.07	0.42	—	—	0.07	0.42
Recreation	0.88	1.02	—	—	0.88	1.02
Interest	0.17	0.18	—	—	0.17	0.18
Total expenses	18.05	15.63	1.20	1.11	19.25	17.00
Other financing items:						
Net transfers in/(out)	—	—	—	—	—	—
Total other financing items	—	—	—	—	—	—
Change in net position	3.18	0.95	0.01	0.03	3.19	0.98
Net Position, beginning of period	68.97	68.02	2.56	2.53	71.53	70.55
Net Position, end of period	\$ 72.15	\$ 68.97	\$ 2.57	\$ 2.56	\$ 74.72	\$ 71.53

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

GOVERNMENTAL ACTIVITIES ANALYSIS

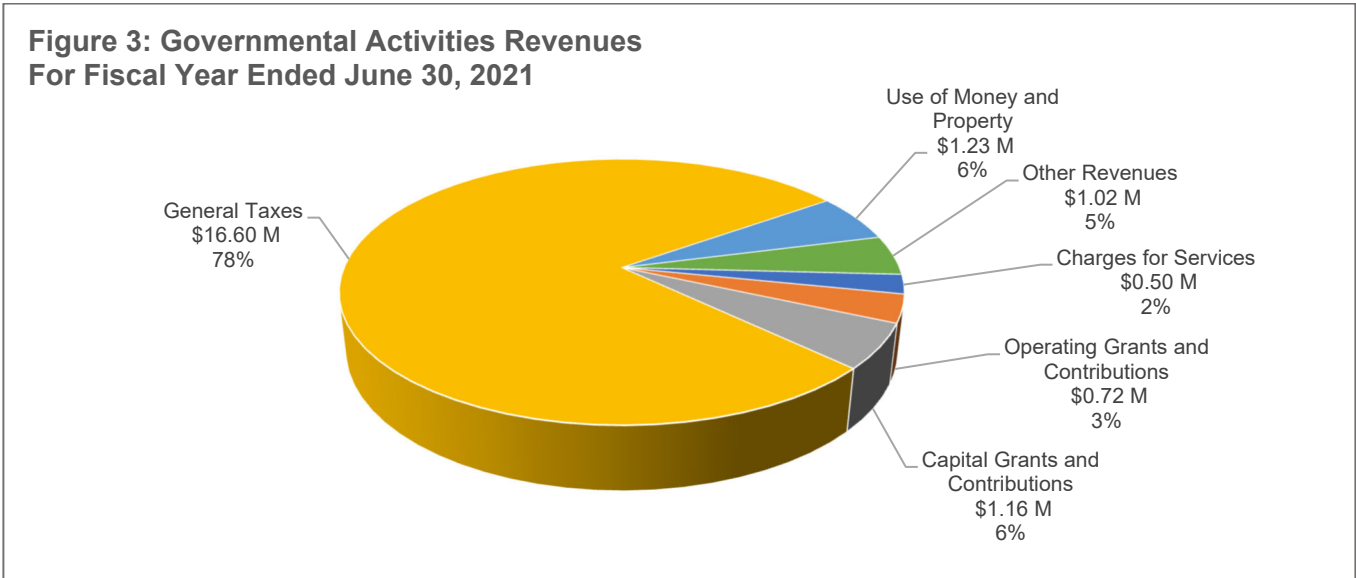
Statement of Net Position – Governmental Activities

The Town's total net position as of June 30, 2021 for governmental activities are comprised the following:

- The Town's governmental net position at June 30, 2021 amounted to \$72.15 million, an increase of \$3.19 million from 2020.
- Cash and investments were \$29.31 million. The Town held all investments in the county (SMCIF) and state (LAIF) pools, and in fully insured certificate of deposits, as detailed in Note 4A to the financial statements. Section 115 Trust assets were \$7.64 million.
- Other assets of \$3.45 million comprise of \$3.33 million in receivables, explained in Note 4B to the financial statements, and \$116,000 in prepaid items.
- Capital assets of \$58.28 million, 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 \$1.65 million.
- Long-term liabilities payable of \$27.75 million, 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 \$53.73 million, representing the Town's investment in capital assets used, net of amounts borrowed to finance those investments.
- Restricted net position represents the Town's restricted section 115 trust assets for unfunded pension and retiree health liabilities.
- 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 \$10.19 million of unrestricted net position.

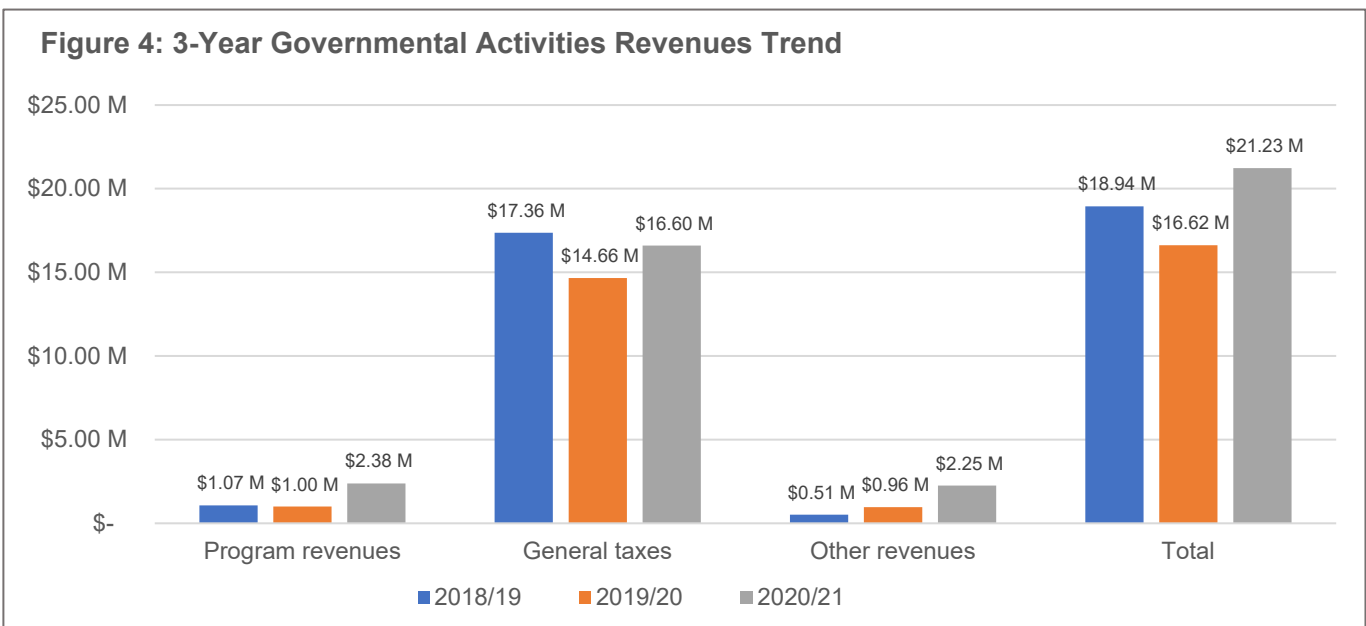
**TOWN OF COLMA, CALIFORNIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

Statement of Activities – Governmental Activities



For fiscal year 2020-21, the Town’s revenues for governmental activities totaled \$21.23 million and expenditures totaled \$18.04 million. The Town also subsidized the sewer operations with a transfer of \$30,914.

As Figure 3 shows, \$16.60 million, or 78%, of the Town’s fiscal year 2021 governmental activities revenue came from taxes, while \$1.88 million, or 9%, came from grants and contributions, \$0.50 million, or 2%, came from charges for services, \$1.02 million, or 5%, came from other revenues and transfers, and \$1.23 million or 6% came from use of money/property.



**TOWN OF COLMA, CALIFORNIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

As shown in Figure 4, for the fiscal year ended June 30, 2021, Town’s program revenues totaled \$2.38 million, general taxes totaled \$16.60 million, and other revenues totaled \$2.25 million.

Town’s program revenues is \$1.38 million more than the prior year and is driven by capital grant reimbursements, including \$36,000 for the El Camino Real Bicycle and Pedestrian Plan and \$0.97 million for the Mission Road Bicycle and Pedestrian Improvement project.

General taxes increased by \$1.94 million, to \$16.60 million. Figure 4 above shows that the Town’s general tax revenues dipped in fiscal year 2019-20 due to the 3 months of immediate business closure to stop the spread of COVID-19. While Town’s general tax revenues recovered in fiscal year 2020-21, it is still less than that of fiscal year 2018-19, the pre-pandemic benchmark.

Overall, total governmental activities revenues rose by \$4.61 million to \$21.23 million.

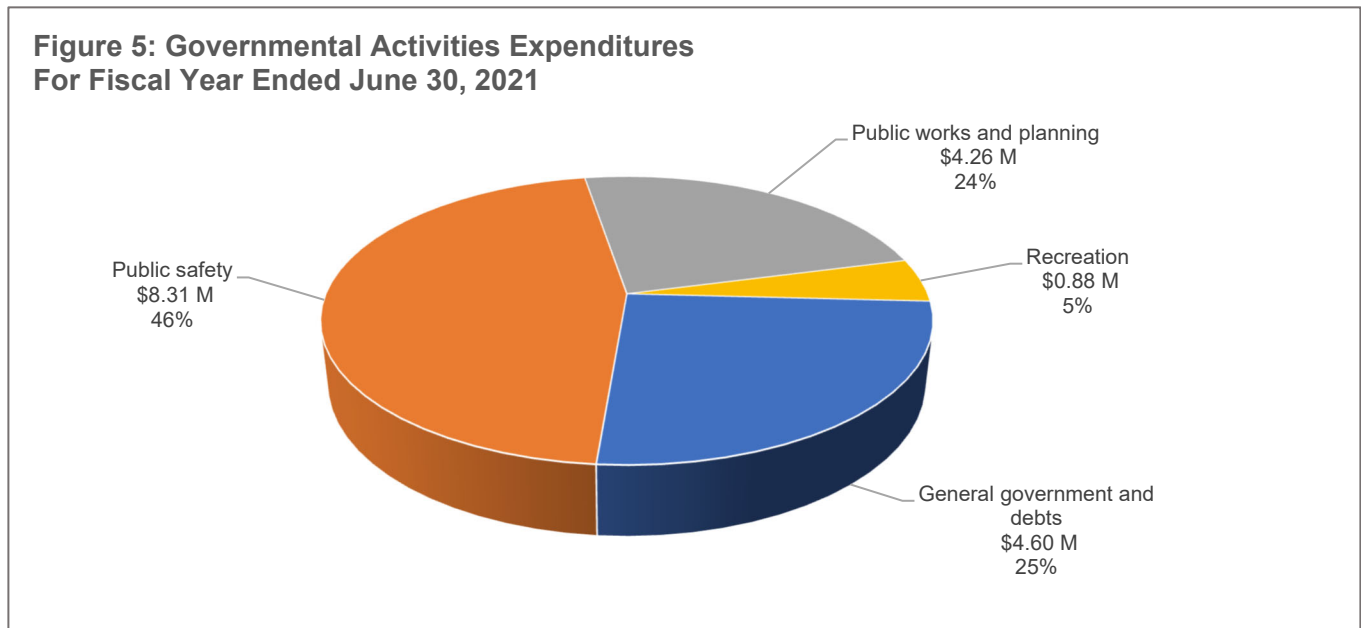


Figure 5 includes only current year expenses; it does not include capital outlays, which were added to the Town’s capital assets. As Figure 5 shows, general government is \$4.60 million, or 25%, of total governmental activities, public works and planning is \$4.26 million, or 24%, public safety is \$8.31 million, or 46%, and recreation is \$0.88 million, or 5%.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

BUSINESS-TYPE ACTIVITIES ANALYSIS

Statement of Net Position – Business-Type Activities

As of June 30, 2021, the net position for business-type activities was \$2.57 million and were comprised of the following:

- Cash and investments were \$228,326. More information is provided in Note 4A to the financial statements.
- Other assets of \$15,839 are explained in Note 4B to the financial statements.
- Capital assets of \$2,335,896 included all the Town's capital assets used in business-type activities as discussed in Note 4C.
- Current liabilities totaled \$6,639.
- Net position invested in capital assets was \$2,335,896.
- Unrestricted net position of \$237,526 are reserved for future enterprise operating and maintenance cost.

Statement of Activities – Business-Type Activities

- Total program revenues of \$1.18 million comprised of \$0.99 million in sewer fees, which is passed through to the City of Daly City and South San Francisco for sewer treatment cost, and \$192,722 in rental revenues from Creekside Villas and 1365 Mission Road properties.
- Total expenses of \$1.20 million comprised of \$1.04 million in sewer operation and \$159,323 in town properties management. Of the \$1.04 million in sewer expenses, \$1.01 million is related to sewer treatment and the rest in infrastructure maintenance.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

FINANCIAL ANALYSIS OF TOWN'S FUNDS

GOVERNMENTAL FUNDS

The Town uses fund accounting, which focuses on current financial resources affecting near-term liquidity. It is also a management tool for segregating certain resources for specific activities or objectives in accordance with special regulations, restrictions, or limitations.

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 2020-21, the Town's major funds included the general fund, capital improvement fund, and street capital improvement fund. Special revenues, and debt funds are reported as Other Governmental Funds.

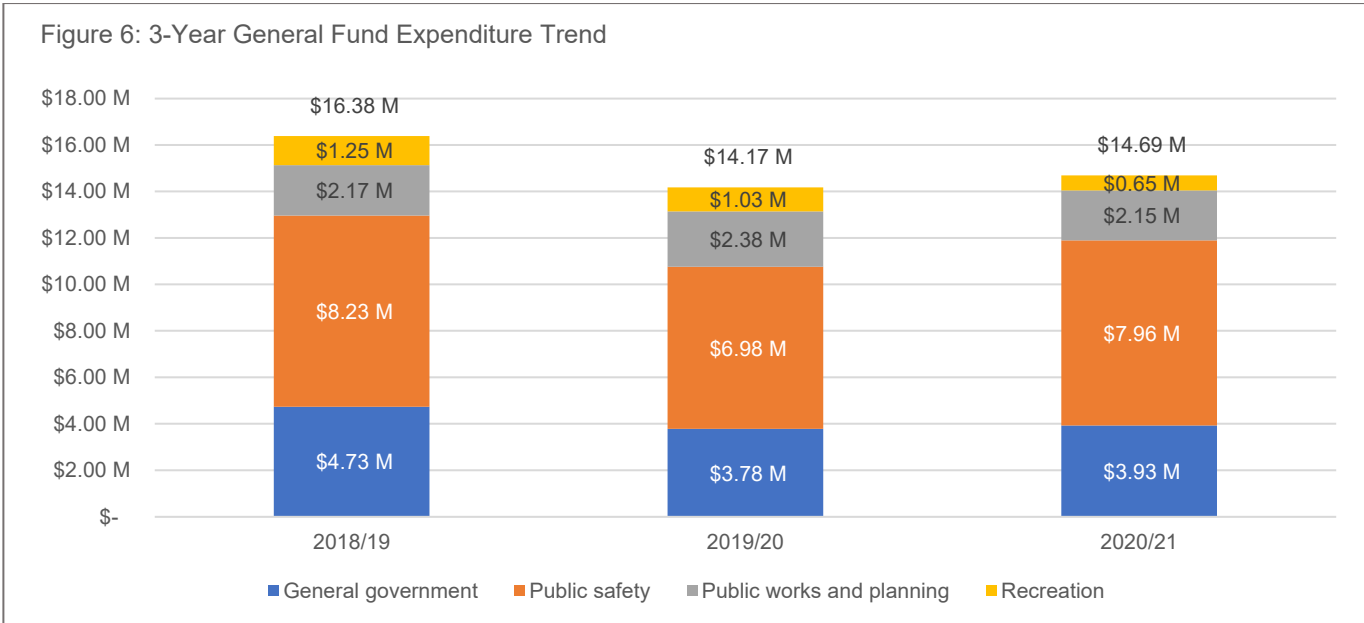
General Fund:

At June 30, 2021, the Town's General Fund reported combined ending balances of \$35.04 million, an increase of \$4.67 million. General Fund revenues increased by \$3.88 million, to \$19.78 million, and expenditures increased by \$0.52 million, to \$14.70 million.

The main drivers for the increase in General Fund revenues is attributable to sales tax revenues and other revenues. The total sales tax received in fiscal year 2020-21 is unprecedented, at \$13.62 million. Pre-COVID-19, the average sales tax revenues was in the range of \$11.0 million to \$12.0 million. The dramatic increase in sales tax revenues is driven by two factors; AB147 use tax and increased activities in auto and construction transactions. On April 25, 2019, Governor Newsom signed into law AB147 where California cities will share additional sales and use tax revenues collected from out-of-state retailers as a result of court ruling in the matter of South Dakota v. Wayfair, Inc. This generated close to \$2.0 million in use tax for the Town in fiscal year 2020-21. Additionally, as businesses and citizens adapt to the COVID-19 restrictions, the Town saw an increase in construction and auto activities resulting in an additional \$1.0 million in sales tax.

The General Fund other revenues include pension and OPEB trust contribution in fiscal year 2020-21 in the amount of \$0.99 million.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**



Overall, General Fund expenditures of \$14.70 million increased by \$0.52 million from the prior year. Of all the General Fund operations, general government and public safety saw an increase in the operating expenditures by \$152,000 and \$980,000, respectively. The main driver of the increase in general government and public safety is related to out-of-pocket retiree medical expenditures for the year. The Town’s retiree medical changed from premium coverage based on service years to a defined contribution into a Health Savings account. This change in benefit became effective for new hires after December 31, 2016. Other factors include turnover cost, insurance premium increases, and contributions to pandemic relief.

Capital Improvement Fund:

As of June 30, 2021, the Fund had a balance of \$1.57 million. Due to the COVID-19 pandemic, the Town deferred all projects that lack legal obligations. Projects with legal obligations include the police radio update, general plan update, and climate action plan update. The Town also continued its investment in IT infrastructure purchases and replacements. A total of \$426,794 in expenditures were accounted for in the fund. The fund received transfers from the General Fund totaling \$250,000.

Street Capital Improvement Fund:

As of June 30, 2021, the Fund had a balance of \$0.85 million. As mentioned in the Capital Improvement Fund section above, the Town focused its attention and resources on El Camino Real Bicycle and Pedestrian Plan and Mission Road Bicycle and Pedestrian Improvement project. All other street and roadway projects were deferred. Total project expenditure for the year was \$2.56 million and total transfer of \$0.93 million was received from General Fund, Gas Tax, RMRA, and Measure A fundings.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

Non-Major Governmental Funds:

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

The fund balance in the Non-Major Governmental Funds totaled \$.59 million, decreasing by \$.29 million, or 33%, over the prior fiscal year. Revenues and transfers totaling \$.63 million decreased by \$.29 million, or 3%, while total expenditures and transfers out of .93 million decreased by \$.06 million, or 6%.

PROPRIETARY FUNDS

Town Properties Fund: As of June 30, 2021, the Fund had a balance of \$2.37 million.

Sewer Fund: As of June 30, 2021, the Fund had a balance of \$204,054.

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

To shift the Town’s resources to address the pandemic, the Town Council adopted the fiscal year 2019-20 operating budget as the fiscal year 2020-21 operating budget. They also adopted the fiscal year 2020-21 program per the 2019-2024 Capital Improvement Plan. At the time of the adoption, the Town Council was aware that the budget will be amended in October to allow the budget team to assess the impact of the COVID-19 pandemic.

On October 28, 2020, the Town Council reviewed the financial and economic condition and adopted an entirely new budget for fiscal year 2020-21. The budget final budget shows a reduction of \$4.04 million in town-wide revenues and a \$2.37 million reduction in town-wide operating expenditure. The reduction in revenue from \$19.47 million to \$15.43 million assumed that sales tax and cardroom tax revenues will be significantly reduced due to the pandemic.

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

With the expectation that sales and cardroom tax revenues will reduce significantly, the Town reduced its operations and services significantly to minimize drawdown the Town's unassigned general fund reserve. The expenditure reduction strategy included reduced contribution to 115 trust, deferred vehicle purchases and facility maintenance, funded essential capital programs, and implemented a hiring freeze of two vacant positions.

Final Budget Compared to Actual

As businesses and residents adapt to COVID-19 restrictions, the Town's General Fund revenues exceeded the amended budget by \$6.64 million. Sales and cardroom taxes continues to be the primary source of revenues for the Town. At \$15.83 million, sales and cardroom tax revenues represents 80% of total general fund revenues. For the year, they outperformed expectation by \$4.29 million. The main drivers in sales tax revenue of \$13.6 million includes AB 147 which requires all online vendors to remit sales tax to the Board of Equalization and the proceeds to be distributed as used tax and the increased demand on vehicles and construction materials. Cardroom tax revenue exceeded expectation as the local cardroom worked with the planning development to find creative solutions to offer cardroom services outdoor.

While consumer behavior were strong during the year, the Town's programs and operations continued to be restricted during the pandemic. Overall, total expenditure were \$39,000 less than final budget. General government, public works, recreation, and planning had less expenditures during the year than the budget. Public safety exceeded budget by \$398,000 due to unbudgeted retirement and the resulting leave payout of \$116,000 and the rise of pension and OPEB costs.

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 2021, 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 2021 the cost of infrastructure and other capital assets recorded on the Town's financial statements is shown in Figure 7 below:

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

Figure 7
Capital Assets at Year-end

	<u>Balance at June 30, 2021</u>
Governmental Activities	
Land	\$ 6,589,376
Construction in progress	3,487,207
Infrastructure-street systems	26,364,634
Buildings	34,554,590
Improvements other than buildings	3,784,093
Machinery and equipment	3,354,501
Less: accumulated depreciation	<u>(19,853,516)</u>
Governmental activity capital assets, net	\$ 58,280,885
Business-type Activities	
Land	\$ 1,006,095
Infrastructure	380,910
Buildings	2,615,156
Less: accumulated depreciation	<u>(1,666,265)</u>
Business-type activity capital assets, net	\$ 2,335,896

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, 2021, the Town's debt issues comprised:

Figure 8
Outstanding Debt

	<u>June 30, 2021</u>
Governmental Activity Debt:	
Certificates of Participation	\$ 4,550,000
Net Other Post-Employment Benefit Obligation	11,202,420
Net Pension Liability	10,987,517
Compensated absences	<u>1,286,192</u>
Total	\$ 28,026,129

**TOWN OF COLMA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The COVID-19 pandemic continues to have a strong influence on the Town's operation in fiscal year 2021-22. Due to the shutdown at many factories and COVID restrictions, the nation is beginning to see supply shortages from raw material to trained labor to deliver the finished products.

Additionally, General Fund revenues are expected to reach 90% of the pre-pandemic level.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This Annual Comprehensive 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.

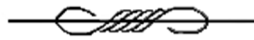
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Annual Comprehensive Financial Report

June 30, 2021

Basic Financial Statements



Annual Comprehensive Financial Report

June 30, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the Town's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Town's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the Town's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Town's funds have been eliminated.

The Town's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the Town's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The Town's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the Town's net position. It is also prepared on the full accrual basis, which means it includes all the Town's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the Town's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The Town's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

Town of Colma
STATEMENT OF NET POSITION
June 30, 2021

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 29,076,858	\$ 228,326	\$ 29,305,184
Restricted cash and investments	7,643,752	-	7,643,752
Receivables:			
Taxes	2,317,697	-	2,317,697
Accounts	980,302	15,839	996,141
Accrued interest	36,928	-	36,928
Prepaid items	<u>116,242</u>	<u>-</u>	<u>116,242</u>
Total current assets	<u>40,171,779</u>	<u>244,165</u>	<u>40,415,944</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	10,076,583	1,006,095	11,082,678
Depreciable, net of accumulated depreciation	<u>48,204,302</u>	<u>1,329,801</u>	<u>49,534,103</u>
Total noncurrent assets	<u>58,280,885</u>	<u>2,335,896</u>	<u>60,616,781</u>
Total assets	<u>98,452,664</u>	<u>2,580,061</u>	<u>101,032,725</u>
<u>DEFERRED OUTFLOWS</u>			
Deferred outflows related to OPEB	1,511,061	-	1,511,061
Deferred outflows related to pensions	<u>4,323,386</u>	<u>-</u>	<u>4,323,386</u>
Total deferred outflows	<u>5,834,447</u>	<u>-</u>	<u>5,834,447</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued expenses	936,619	6,639	943,258
Deposits	433,987	-	433,987
Compensated absences due in one year	154,534	-	154,534
Certificates of participation due in one year	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Total current liabilities	<u>1,650,140</u>	<u>6,639</u>	<u>1,656,779</u>
Noncurrent liabilities due in more than one year:			
Compensated absences	1,131,658	-	1,131,658
Certificates of participation	4,425,000	-	4,425,000
Net pension liability	10,987,517	-	10,987,517
Net other post-employment benefit obligation	<u>11,202,420</u>	<u>-</u>	<u>11,202,420</u>
Total noncurrent liabilities	<u>27,746,595</u>	<u>-</u>	<u>27,746,595</u>
Total liabilities	<u>29,396,735</u>	<u>6,639</u>	<u>29,403,374</u>
<u>DEFERRED INFLOWS</u>			
Deferred inflows related to OPEB	2,166,098	-	2,166,098
Deferred inflows related to pensions	<u>567,792</u>	<u>-</u>	<u>567,792</u>
Total deferred inflows	<u>2,733,890</u>	<u>-</u>	<u>2,733,890</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	53,730,885	2,335,896	56,066,781
Restricted	8,232,580	-	8,232,580
Unrestricted	<u>10,193,021</u>	<u>237,526</u>	<u>10,430,547</u>
Total net position	<u>\$ 72,156,486</u>	<u>\$ 2,573,422</u>	<u>\$ 74,729,908</u>

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

Town of Colma
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<u>Town Government</u>							
Governmental activities:							
General government	\$ 4,424,559	\$ -	\$ -	\$ -	\$ (4,424,559)		\$ (4,424,559)
Public safety	8,305,409	114,569	158,251	-	(8,032,589)		(8,032,589)
Public works	4,183,431	259,022	21,859	1,158,693	(2,743,857)		(2,743,857)
Recreation	879,315	22,797	-	-	(856,518)		(856,518)
Planning	74,881	103,262	539,660	-	568,041		568,041
Interest on long-term debt	174,369	-	-	-	(174,369)		(174,369)
Total governmental activities	<u>18,041,964</u>	<u>499,650</u>	<u>719,770</u>	<u>1,158,693</u>	<u>(15,663,851)</u>		<u>\$ (15,663,851)</u>
Business-type activities:							
City properties	159,323	192,722	-	-		\$ 33,399	33,399
Sewer	1,044,830	987,697	-	-		(57,133)	(57,133)
Total business-type activities	<u>1,204,153</u>	<u>1,180,419</u>	<u>-</u>	<u>-</u>		<u>(23,734)</u>	<u>(23,734)</u>
Total	<u>\$ 19,246,117</u>	<u>\$ 1,680,069</u>	<u>\$ 719,770</u>	<u>\$ 1,158,693</u>		<u>(23,734)</u>	<u>(15,687,585)</u>
General revenues:							
Taxes:							
Property taxes					622,787	-	622,787
Sales taxes					13,620,617	-	13,620,617
Cardroom taxes					2,213,814	-	2,213,814
Other taxes					141,021	-	141,021
Use of money and property					1,231,305	1,413	1,232,718
Transfers					(30,914)	30,914	-
Other revenues					1,049,962	-	1,049,962
Total general revenues and special items					<u>18,848,592</u>	<u>32,327</u>	<u>18,880,919</u>
Change in net position					3,184,741	8,593	3,193,334
Net position, beginning of period					<u>68,971,745</u>	<u>2,564,829</u>	<u>71,536,574</u>
Net position, ending of period					<u>\$ 72,156,486</u>	<u>\$ 2,573,422</u>	<u>\$ 74,729,908</u>

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

FUND FINANCIAL STATEMENTS

Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the Town. Individual non-major funds may be found in the Supplemental section.

The **General Fund** accounts for all financial resources necessary to carry out basic governmental activities of the Town that are not accounted for in another fund. The General Fund supports essential services such as police protection, street & storm drain maintenance, parks, and recreation.

The **Capital Improvement Project Fund** accounts for funds expended for general capital improvements, including equipment & technology replacement, long-range plans, and facility improvements.

The **Street Improvement Capital Project Fund** accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals and street medians.

Town of Colma
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2021

	General Fund	Capital Improvement Project Fund	Street Improvement Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 25,213,039	\$ 1,514,378	\$ 1,036,295	\$ 572,259	\$ 28,335,971
Restricted cash and investments	7,643,752	-	-	-	7,643,752
Taxes receivable	2,317,697	-	-	-	2,317,697
Accounts receivable	769,795	93,567	99,449	17,491	980,302
Accrued interest receivable	36,928	-	-	-	36,928
Due from other funds	806	-	-	-	806
Prepaid items	116,242	-	-	-	116,242
Total assets	<u>\$ 36,098,259</u>	<u>\$ 1,607,945</u>	<u>\$ 1,135,744</u>	<u>\$ 589,750</u>	<u>\$ 39,431,698</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 284,094	\$ 35,692	\$ 281,725	\$ 922	\$ 602,433
Accrued expenditures	334,186	-	-	-	334,186
Due to other funds	-	-	-	806	806
Deposits	433,987	-	-	-	433,987
Total liabilities	<u>1,052,267</u>	<u>35,692</u>	<u>281,725</u>	<u>1,728</u>	<u>1,371,412</u>
<u>FUND BALANCES</u>					
Nonspendable	116,242	-	-	-	116,242
Restricted	7,643,752	-	-	588,828	8,232,580
Committed	13,031,341	-	-	-	13,031,341
Assigned	950,000	1,572,253	854,019	-	3,376,272
Unassigned	13,304,657	-	-	(806)	13,303,851
Total fund balances	<u>35,045,992</u>	<u>1,572,253</u>	<u>854,019</u>	<u>588,022</u>	<u>38,060,286</u>
Total liabilities and fund balances	<u>\$ 36,098,259</u>	<u>\$ 1,607,945</u>	<u>\$ 1,135,744</u>	<u>\$ 589,750</u>	<u>\$ 39,431,698</u>
Total governmental fund balances					\$ 38,060,286
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.					58,280,885
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.					740,887
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.					<u>(24,925,572)</u>
Net position of governmental activities					<u>\$ 72,156,486</u>

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 Fiscal Year Ended June 30, 2021

	General Fund	Capital Improvement Project Fund	Street Improvement Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Property taxes	\$ 622,787	\$ -	\$ -	\$ -	\$ 622,787
Sales taxes	13,620,617	-	-	-	13,620,617
Cardroom taxes	2,213,814	-	-	-	2,213,814
Other taxes	141,021	-	-	-	141,021
Licenses and permits	348,147	-	-	-	348,147
Fines and forfeits	108,484	-	-	-	108,484
Intergovernmental	448,184	93,000	1,008,258	329,021	1,878,463
Use of money and property	1,196,896	15,811	5,000	7,427	1,225,134
Other revenues	1,037,686	2,276	10,000	-	1,049,962
Charges for services	43,019	-	-	-	43,019
Total revenues	<u>19,780,655</u>	<u>111,087</u>	<u>1,023,258</u>	<u>336,448</u>	<u>21,251,448</u>
<u>EXPENDITURES</u>					
Current:					
General government	3,931,655	-	-	3,350	3,935,005
Public safety	7,976,511	-	-	204,284	8,180,795
Public works	1,852,211	426,794	2,555,377	17,133	4,851,515
Recreation	652,133	-	-	-	652,133
Planning	295,710	-	-	-	295,710
Debt service:					
Principal	-	-	-	120,000	120,000
Interest	-	-	-	174,369	174,369
Total expenditures	<u>14,708,220</u>	<u>426,794</u>	<u>2,555,377</u>	<u>519,136</u>	<u>18,209,527</u>
Excess (deficiency) of revenues over expenditures	<u>5,072,435</u>	<u>(315,707)</u>	<u>(1,532,119)</u>	<u>(182,688)</u>	<u>3,041,921</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	250,000	927,000	295,612	1,472,612
Transfers out	<u>(576,526)</u>	<u>(520,000)</u>	<u>-</u>	<u>(407,000)</u>	<u>(1,503,526)</u>
Total other financing sources (uses)	<u>(576,526)</u>	<u>(270,000)</u>	<u>927,000</u>	<u>(111,388)</u>	<u>(30,914)</u>
Net change in fund balances	<u>4,495,909</u>	<u>(585,707)</u>	<u>(605,119)</u>	<u>(294,076)</u>	<u>3,011,007</u>
Fund balances, beginning of period	30,374,400	2,157,960	1,459,138	882,098	34,873,596
Prior period adjustment	175,683	-	-	-	175,683
Fund balances, beginning of period restated	<u>30,550,083</u>	<u>2,157,960</u>	<u>1,459,138</u>	<u>882,098</u>	<u>35,049,279</u>
Fund balances, end of period	<u>\$ 35,045,992</u>	<u>\$ 1,572,253</u>	<u>\$ 854,019</u>	<u>\$ 588,022</u>	<u>\$ 38,060,286</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 Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 3,011,007

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 (\$1,621,638) is under capital outlays and transfers \$1,766,692 in the current period. 145,054

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 120,000

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 (13,801)

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	73,085
Pension expense	(4,208)
OPEB expense	<u>(146,396)</u>

Net difference	<u>173,734</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 3,184,741</u></u>
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The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

The **Sewer Fund** is used to account for the provision of sewer services to the residents of Colma and some residents of areas adjacent to the Town. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and billing/collections.

The **Town Property Fund** is used to account for activities of the Town's rental properties.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF NET POSITION
 June 30, 2021

	Sewer	Town Properties	Totals	Governmental Activities Internal Service Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 7,980	\$ 220,346	\$ 228,326	\$ 740,887
Accounts receivable	2,458	13,381	15,839	-
Total current assets	10,438	233,727	244,165	740,887
Noncurrent assets:				
Capital assets:				
Buildings	-	2,615,156	2,615,156	-
Land	-	1,006,095	1,006,095	-
Infrastructure	380,910	-	380,910	-
Construction in progress	-	-	-	-
Accumulated depreciation	(183,059)	(1,483,206)	(1,666,265)	-
Total capital assets	197,851	2,138,045	2,335,896	-
Total assets	208,289	2,371,772	2,580,061	740,887
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	4,235	2,404	6,639	-
Total current liabilities	4,235	2,404	6,639	-
<u>NET POSITION</u>				
Investment in capital assets	197,851	2,138,045	2,335,896	-
Unrestricted	6,203	231,323	237,526	740,887
Total net position	\$ 204,054	\$ 2,369,368	\$ 2,573,422	\$ 740,887

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 Fiscal Year Ended June 30, 2021

	Sewer	Town Properties	Totals	Governmental Activities Internal Service Fund
Operating revenues:				
Charges for services	\$ 987,697	\$ 192,722	\$ 1,180,419	\$ -
Total operating revenues	<u>987,697</u>	<u>192,722</u>	<u>1,180,419</u>	<u>-</u>
Operating expenses:				
Materials, supplies, rent and services	1,022,846	95,658	1,118,504	19,974
Depreciation	21,984	63,665	85,649	-
Total operating expenses	<u>1,044,830</u>	<u>159,323</u>	<u>1,204,153</u>	<u>19,974</u>
Operating income (loss)	<u>(57,133)</u>	<u>33,399</u>	<u>(23,734)</u>	<u>(19,974)</u>
Non-operating revenues (expenses):				
Interest and other income	-	1,413	1,413	6,173
Sale of property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>1,413</u>	<u>1,413</u>	<u>6,173</u>
Contributions and transfers				
Transfers in	<u>30,914</u>	<u>-</u>	<u>30,914</u>	<u>-</u>
Net contributions and transfers	<u>30,914</u>	<u>-</u>	<u>30,914</u>	<u>-</u>
Change in net position	(26,219)	34,812	8,593	(13,801)
Net position, beginning of period	<u>230,273</u>	<u>2,334,556</u>	<u>2,564,829</u>	<u>754,688</u>
Net position, end of period	<u>\$ 204,054</u>	<u>\$ 2,369,368</u>	<u>\$ 2,573,422</u>	<u>\$ 740,887</u>

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

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2021

	Sewer	Town Properties	Totals	Governmental Activities Internal Service Fund
Cash flows from operating activities:				
Receipts from other funds for services	\$ 994,397	\$ 190,707	\$ 1,185,104	\$ -
Payments to suppliers	<u>(1,018,997)</u>	<u>(94,795)</u>	<u>(1,113,792)</u>	<u>(19,974)</u>
Net cash provided (used) by operating activities	<u>(24,600)</u>	<u>95,912</u>	<u>71,312</u>	<u>(19,974)</u>
Cash flows from investing activities:				
Interest and other income	<u>-</u>	<u>1,413</u>	<u>1,413</u>	<u>6,173</u>
Net cash provided by investing activities	<u>-</u>	<u>1,413</u>	<u>1,413</u>	<u>6,173</u>
Cash flows from capital and related financing activities				
Transfers	<u>30,914</u>	<u>-</u>	<u>30,914</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>30,914</u>	<u>-</u>	<u>30,914</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	6,314	97,326	103,640	(13,801)
Cash and cash equivalents - beginning of period	<u>1,666</u>	<u>123,020</u>	<u>124,686</u>	<u>754,688</u>
Cash and cash equivalents - end of period	<u>\$ 7,980</u>	<u>\$ 220,346</u>	<u>\$ 228,326</u>	<u>\$ 740,887</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ (57,133)</u>	<u>\$ 33,399</u>	<u>\$ (23,734)</u>	<u>\$ (19,974)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	21,984	63,665	85,649	-
Changes in certain assets and liabilities:				
Accounts receivable	6,700	(2,015)	4,685	-
Accounts payable	<u>3,849</u>	<u>863</u>	<u>4,712</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (24,600)</u>	<u>\$ 95,912</u>	<u>\$ 71,312</u>	<u>\$ (19,974)</u>

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Street Improvement Capital Project Fund accounts for resources to complete street and transportation 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.

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/expenses not meeting this definition are reported as non-operating revenues and expenses.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Cash Equivalents

For purposes of the statement of cash flows, the Town considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Proprietary fund types, cash and investments balances classified as Available for Operations are considered cash equivalents for purposes of the statement of cash flows.

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 uncollectible is not necessary as all receivables have been deemed collectible.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the county, and be shared by applicable jurisdictions.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 streetlights, 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 Town typically uses the General Fund to liquidate the majority of its compensated absences.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Stabilization Reserve

The Town maintains a budget stabilization reserve in an amount sufficient to ensure continuity of operations in the event of a severe economic downturn, which amount is hereby determined to be one hundred percent (100%), rounded to the nearest \$100,000, of the General Fund expenditures for the prior fiscal year, excluding appropriations toward Accrued Leave Liability Reserve, OPEB contribution, and pension contribution.

Accrued Leave Reserve

The Town maintains an **Accrued Leave Reserve** committed for vacation payout (and sick leave when related to retirement) when an employee separates from the Town. The amount committed will be determined as part of the budget process.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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

Litigation Reserve

The Town maintains a **Litigation Reserve**, in the amount of \$100,000, to pay the Town's costs and attorneys' fees necessary for the initiation or defense of new litigation authorized by the Town Council after adoption of a budget for the fiscal year in which the litigation commenced

Insurance Reserve

The Town maintains an **Insurance Reserve**, in the amount of \$100,000, to pay for any deductibles charged to the Town by its insurance carrier(s) not accounted for in the adopted budget

Disaster Response and Recovery Reserve

The Town maintains a **Disaster Response and Recovery Reserve**, in the amount of \$750,000, to pay the Town's costs of emergency repairs to or replacements of parts of the Town infrastructure damaged by any natural or man-made disaster, or to abate or prevent further damage to life or property.

Comparative Data

Certain amounts presented in the prior year data have been reclassified to be consistent with the current years' presentation.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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	\$ 78,134,401
Less: accumulated depreciation	<u>(19,853,516)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 58,280,885</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

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

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	\$ 4,323,386
Deferred outflows – OPEB	1,511,061
Deferred inflows – pension	(567,792)
Deferred inflows – OPEB	(2,166,098)
Compensated absences	(1,131,658)
Certificates of participation	(4,550,000)
Net other post-employment benefit obligation	(11,202,420)
Net pension liability	<u>(10,987,517)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (24,771,038)</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 and disposals	\$ 1,766,692
Depreciation expense	(1,621,638)
Internal service fund	(13,801)
Compensated absences	51,936
Certificates of participation	120,000
Pension expense	(4,208)
Net other post-employment benefit obligation (OPEB)	<u>(146,396)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 152,585</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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 exceeded appropriations in the General Fund by \$60,562.

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

At June 30, 2021, only one non-major fund had negative fund balance as follows: Debt Service.

The fund's negative fund balance is expected to return to a positive status in fiscal year 2022.

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.

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 29,305,184
Restricted cash and investments	<u>7,643,752</u>
Total cash and investments	<u>\$ 36,948,936</u>

	Maturity 12 Months or less	13-24 Months	25-60 Months	Total
Demand deposits	\$ 7,951,059	\$ -	\$ -	\$ 7,951,059
Local Agency Investment Fund (LAIF)	2,132,294	-	-	2,132,294
Public Agency Retirement Services	7,643,752	-	-	7,643,752
Certificates of Deposit	750,698	759,044	3,572,775	5,082,517
Money Market Savings	15,275	-	-	15,275
San Mateo Co. Treasurer's Investment Pool	<u>11,105,114</u>	<u>2,395,134</u>	<u>623,791</u>	<u>14,124,039</u>
Total	<u>\$ 29,598,192</u>	<u>\$ 3,154,178</u>	<u>\$ 4,196,566</u>	<u>\$ 36,948,936</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

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.

As of June 30, 2021, the Town holds \$1,291 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, 2021, 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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (concluded)

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.

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2021:

<u>Investment Type</u>	<u>Level 2</u>	<u>Uncategorized</u>	<u>Total</u>
California Local Agency Investment Fund	\$ -	\$ 2,132,294	\$ 2,132,294
San Mateo Co. Treasurer's Investment Pool	-	14,124,039	14,124,039
Certificates of Deposit	5,082,517	-	5,082,517
Money Market Savings Account	-	15,275	15,275
Public Agency Retirement Services	-	<u>7,643,752</u>	<u>7,643,752</u>
Total investments	<u>\$ 5,082,517</u>	<u>\$ 23,915,360</u>	28,997,877
Cash in banks and on hand			<u>7,951,059</u>
Total cash and investments			<u>\$ 36,948,936</u>

The California Local Agency Investment Fund (LAIF), the San Mateo County Investment Pool and the Public Agency Retirement System are not categorized in the fair value hierarchy but are valued using net asset value which approximates fair value.

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, 2021 are provided by Standard and Poor's except as noted.

<u>Investment Type</u>	<u>Total</u>
Not rated:	
Money Market Savings Account	\$ 15,275
California Local Agency Investment Fund	2,132,294
San Mateo County Treasurer's Investment Pool	14,124,039
Public Agency Retirement Services	7,643,752
Cash in banks and on hand	7,951,059
Certificates of Deposit	<u>5,082,517</u>
Total cash and investments	<u>\$ 36,948,936</u>

At June 30, 2021 none of the Town's deposits or investments were exposed to custodial credit risk.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

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

	General	Nonmajor Funds	Business-type Funds	Town Capital Projects Fund	Street Capital	Total
Receivables:						
Interest	\$ 36,928	\$ -	\$ -	\$ -	\$ -	\$ 36,928
Taxes	2,317,697	-	-	-	-	2,317,697
Accounts	<u>769,795</u>	<u>17,491</u>	<u>15,839</u>	<u>93,567</u>	<u>99,449</u>	<u>996,141</u>
Net total receivables	<u>\$ 3,124,420</u>	<u>\$ 17,491</u>	<u>\$ 15,839</u>	<u>\$ 93,567</u>	<u>\$ 99,449</u>	<u>\$ 3,350,766</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 6,589,376	\$ -	\$ -	\$ 6,589,376
Construction in progress	<u>1,464,398</u>	<u>2,984,346</u>	<u>961,537</u>	<u>3,487,207</u>
Total capital assets, not being depreciated	<u>8,053,774</u>	<u>2,984,346</u>	<u>961,537</u>	<u>10,076,583</u>
Capital assets, being depreciated				
Buildings	34,554,590	-	-	34,554,590
Improvements other than buildings	3,784,093	-	-	3,784,093
Machinery and equipment	3,116,867	237,634	-	3,354,501
Infrastructure - street systems	<u>26,364,634</u>	<u>-</u>	<u>-</u>	<u>26,364,634</u>
Total capital assets, being depreciated	<u>67,820,184</u>	<u>237,634</u>	<u>-</u>	<u>68,057,818</u>
Less accumulated depreciation for:				
Buildings	(4,448,847)	(691,032)	(367,450)	(5,507,329)
Improvements other than buildings	(2,345,205)	(177,905)	-	(2,523,110)
Machinery and equipment	(1,786,460)	(266,358)	(126,300)	(2,179,118)
Infrastructure - street systems	<u>(9,157,616)</u>	<u>(486,343)</u>	<u>-</u>	<u>(9,643,959)</u>
Total accumulated depreciation	<u>(17,738,128)</u>	<u>(1,621,638)</u>	<u>(493,750)</u>	<u>(19,853,516)</u>
Total capital assets, being depreciated, net	<u>50,082,056</u>	<u>(1,384,004)</u>	<u>(493,750)</u>	<u>48,204,302</u>
Governmental activities capital assets net	<u>\$ 58,135,830</u>	<u>\$ 1,600,342</u>	<u>\$ 1,455,287</u>	<u>\$ 58,280,885</u>

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

Governmental activities:	
Public works	\$ 636,606
General government	462,940
Public safety	310,770
Planning	2,911
Recreation	<u>208,411</u>
Total depreciation expense - governmental activities	<u>\$ 1,621,638</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (concluded)

	<u>Beginning Balances</u>	<u>Transfers & Additions</u>	<u>Retirements & Adjustments</u>	<u>Ending Balances</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,006,095	\$ -	\$ -	\$ 1,006,095
Total capital assets, not being depreciated:	<u>1,006,095</u>	<u>-</u>	<u>-</u>	<u>1,006,095</u>
Capital assets being depreciated:				
Buildings	2,615,156	-	-	2,615,156
Infrastructure	<u>380,910</u>	<u>-</u>	<u>-</u>	<u>380,910</u>
Total capital assets, being depreciated	<u>2,996,066</u>	<u>-</u>	<u>-</u>	<u>2,996,066</u>
Less accumulated depreciation for:				
Buildings	(1,419,541)	(63,665)	-	(1,483,206)
Infrastructure	<u>(161,075)</u>	<u>(21,984)</u>	<u>-</u>	<u>(183,059)</u>
Total accumulated depreciation	<u>(1,580,616)</u>	<u>(85,649)</u>	<u>-</u>	<u>(1,666,265)</u>
Total capital assets, being depreciated, net	<u>1,415,450</u>	<u>(85,649)</u>	<u>-</u>	<u>1,329,801</u>
Business-type activities capital assets net	<u>\$ 2,421,545</u>	<u>\$ (85,649)</u>	<u>\$ -</u>	<u>\$ 2,335,896</u>

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

Business-type activities:	
Sewers	\$ 21,984
Town properties	<u>63,665</u>
Total depreciation expense - business-type activities	<u>\$ 85,649</u>

D. Interfund Receivables, Payables and Transfers

Interfund transfers at June 30, 2021 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 576,526
Other governmental Funds	295,612	-
Town Capital Project Fund	250,000	520,000
Street Capital	927,000	-
Sewer	30,914	-
Other governmental Funds	<u>-</u>	<u>407,000</u>
Totals	<u>\$ 1,503,526</u>	<u>\$ 1,503,526</u>

The transfers out of the General Fund, Other Governmental Funds and Capital Improvements Project Fund were made for the purpose of financing Street Improvement Capital Projects and debt service undertaken during the fiscal year.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - DETAILED NOTES ON ALL FUNDS (concluded)

D. Interfund Receivables, Payables and Transfers (concluded)

The composition of Due to/from was:	Receivable Fund	Payable Fund
General Fund	\$ 806	\$ -
Debt Service	-	806
Totals	\$ 806	\$ 806

The General Fund to the Debt Service Fund to offset negative cash.

E. Long-Term Debt

Governmental Activities:

Changes in Long-Term Liabilities

Long-term debt activity for the 2021 fiscal year was as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Certificates of Participation	\$ 4,670,000	\$ -	\$ 120,000	\$ 4,550,000	\$ 125,000
Net OPEB	12,704,842	-	1,502,422	11,202,420	-
Net Pension Liability	10,094,682	892,835	-	10,987,617	-
Compensated absences	1,359,277	65,325	138,410	1,286,192	154,534
Totals	\$28,828,801	\$ 958,260	\$ 1,760,832	\$28,026,229	\$ 279,534

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 certificates bear interest at variable rates from 0.38% to 4.12% and payments are due on each May 1.

The annual requirements to amortize the debt outstanding as of June 30, 2021, including interest payments, are as follows:

<u>Period Ending June 30,</u>	Principal	Interest	Total
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
2027-2031	775,000	684,657	1,459,657
2032-2036	930,000	539,746	1,469,746
2037-2041	1,120,000	347,801	1,467,801
2042-2045	1,060,000	108,391	1,168,000
Total	\$ 4,550,000	\$ 2,482,849	\$ 7,032,849

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - OTHER INFORMATION (continued)

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, 2021, the Town incurred liability claims expenses totaling \$73,362. There was one open claim as of June 30, 2021.

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.

Disallowed Claims

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including California, declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to the District's operations included limited available resources to perform day-to-day operations. It is anticipated that the impacts from this pandemic will continue for some time. As of the report date, the financial impact of the coronavirus outbreak cannot be measured.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - OTHER INFORMATION (continued)

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.

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, 2021, 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 of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - OTHER INFORMATION (continued)

D. Public Employees Retirement System (continued)

	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).

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.

In fiscal year 2015, the Town established a Section 115 irrevocable trust with the Public Agency Retirement Systems (PARS). As of June 30, 2021 the Town reported the account balance of \$1,931,518 as restricted investments in the General Fund.

For the year ended June 30, 2021, 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.

Employer Contributions	<u>Total Miscellaneous</u> \$508,104
Employer Contributions	<u>Total Safety</u> \$1,404,495

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

As of June 30, 2021, 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	\$ 2,229,557
Safety	<u>8,757,960</u>
Total Net Pension Liability	<u>\$ 10,987,517</u>

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

<u>Town Miscellaneous Plan</u>	<u>Miscellaneous</u>
Proportion - June 30, 2019	.051%
Proportion - June 30, 2020	.055%
Change – Increase (Decrease)	(.001%)
 <u>Town Safety Plan</u>	 <u>Safety</u>
Proportion - June 30, 2019	.129%
Proportion - June 30, 2020	.131%
Change – Increase (Decrease)	(.002%)

For the year ended June 30, 2021, the Town recognized pension expense of \$1,131,376. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,912,599	\$ -
Differences between actual and expected experience	794,031	-
Changes in assumptions	-	45,075
Net differences between projected and actual earnings on plan investments	256,580	-
Change in proportions and differences between actual Contributions and proportionate share of contributions	<u>1,360,176</u>	<u>522,717</u>
Total	<u>\$ 4,323,386</u>	<u>\$ 567,792</u>

\$1,912,599 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, 2022.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

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>			
2022	\$	536,771	
2023		683,598	
2024		495,484	
2025		<u>127,142</u>	
Total	\$	<u>1,842,995</u>	

Actuarial Assumptions - For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date		June 30, 2019
Measurement Date		June 30, 2020
Actuarial Cost Method		Entry-Age Normal Cost Method
<u>Actuarial Assumptions:</u>		
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.

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (concluded)

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	<u>1.0%</u>	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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$3,907,955	\$13,536,674
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$2,229,557	\$8,757,960
1% Increase	8.15%	8.15%
Net Pension Liability	\$842,749	\$4,836,819

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. Fund Balance for Governmental Funds

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - OTHER INFORMATION (concluded)

D. Fund Balance for Governmental Funds (concluded)

	<u>General Fund</u>	<u>Capital Improvement Project Fund</u>	<u>Street Improvement Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Prepaid items	\$ 116,242	\$ -	\$ -	\$ -	\$ 116,242
Restricted:					
Restricted Pension and OPEB trusts	7,643,752	-	-	-	7,643,752
Measure A	-	-	-	80,376	80,376
Measure W	-	-	-	61,371	61,371
Gas Tax	-	-	-	83,615	83,615
Housing impact Fee	-	-	-	278,563	278,563
Law enforcement	-	-	-	78,588	78,588
Public Safety Grant	-	-	-	6,315	6,315
Total	<u>7,643,752</u>	<u>-</u>	<u>-</u>	<u>588,828</u>	<u>8,232,580</u>
Committed fund balances were					
Debt service costs	600,000	-	-	-	600,000
Compensated absences	431,341	-	-	-	431,341
General & Economic reserve	<u>12,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000,000</u>
Total	<u>13,031,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,031,341</u>
Assigned Fund Balances were					
Litigation	100,000	-	-	-	100,000
Insurance	100,000	-	-	-	100,000
Disaster response	750,000	-	-	-	750,000
Capital Improvements	-	1,572,253	-	-	1,572,253
Street Improvements	-	-	854,019	-	854,019
Total	<u>950,000</u>	<u>1,572,253</u>	<u>854,019</u>	<u>-</u>	<u>3,376,272</u>
Unassigned Fund Balance was:					
General Fund	<u>13,304,657</u>	<u>-</u>	<u>-</u>	<u>(806)</u>	<u>13,303,851</u>
Grand Total	<u>\$ 35,045,992</u>	<u>\$ 1,572,253</u>	<u>\$ 854,019</u>	<u>\$ 588,022</u>	<u>\$38,060,286</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, 2021. The Town's contributions towards this benefit for the fiscal year ended June 30, 2021 were \$38,350.

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

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

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's 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.

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.

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

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. Employee benefits are governed by the Town Council.

In fiscal year 2015, the Town established a Section 115 irrevocable trust with the Public Agency Retirement Systems (PARS). As of June 30, 2021 the Town reported the account balance of \$5,712,234 as restricted investments in the General Fund.

Employees Covered by Benefit Terms

At June 30, 2020 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	62
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees:	<u>35</u>
Total	97

Contributions

The Town makes contributions based on an actuarially determined rate.

Contribution rate:	41.37% for 16 years, 14.66% thereafter
Reporting period contributions	\$1,632,395 (includes implicit subsidy credit.)

Financial Report

The Town issues a stand-alone financial report that is available to the public. The report is available at: <https://www.colma.ca.gov/departments/finance/>

Net OPEB Liability

The Town's total OPEB liability was valued as of June 30, 2020 and was used to calculate the net OPEB liability measured as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Measurement Date:</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	
Discount Rate	5.47%	4.97%	
Investment Rate of Return	5.47%	4.97%	
Inflation	1.75%	2.50%	
Healthcare Cost Trend Rates			
Pre-Medicare	6.5%	7.0%*	*Trending down to 4.04% over 55 years. Applies to calendar years.
Medicare	6.0%	4.0%*	
Salary Increases	2.75%	2.75%**	**Additional merit-based increases based on CalPERS merit salary increase tables.
Mortality Rates	Based on CalPERS tables.		

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

Actuarial Assumptions (concluded)

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, revised May 14, 2018.
- Inactive employees (retirees) pay the cost of benefits in excess of the Town's contribution.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.

Discount Rate

GASB 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total OPEB liability is 4.97%

Long-Term Expected Real Rate of Return

The long-term expected rate of return is determined using the long-term rates of return developed by Highmark Capital Management for the Moderately Conservative Investment Strategy as of May 20, 2020.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Asset Class Expected Return</u>
Equity - Large-Cap Core	16%	7.50%
Equity - Mid-Cap Core	3%	7.80%
Equity - Small-Cap Core	5%	8.70%
Equity - Real Estate	1%	6.70%
Equity - International	4%	7.80%
Equity - Emerging Market	2%	7.80%
Fixed Income - Short-Term Bonds	14%	3.30%
Fixed Income - Intermediate-Term Bond	49%	4.10%
Fixed Income - High Yield	2%	6.90%
Cash	5%	2.40%
Total/Average	<u>100%</u>	
Expected Long-Term Rate of Return		5.47%
Expected Long-Term Rate of Return, Net of Fees		4.97%
Expected Volatility		5.07%

Current Liability

	<u>Amount</u>
Current OPEB Liability	\$ 779,660
Non-Current OPEB Liability	<u>15,505,451</u>
Total OPEB Liability	<u>\$ 16,285,111</u>

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows.

EARSL: 5.2 years

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance as of Report Date June 30, 2020	\$ 16,813,092	\$ 4,108,250	\$ 12,704,842
Changes for the year:			
Service Cost	657,975	-	657,975
Interest	932,475	-	932,475
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(1,246,250)	-	(1,246,250)
Changes of Assumptions	(24,222)	-	(24,222)
Contributions			
Employer – Town’s Contribution	-	1,475,265	(1,475,265)
Employer - Implicit Subsidy	-	157,130	(157,130)
Net Investment Income	-	214,352	(214,352)
Benefit Payments	(690,829)	(690,829)	-
Implicit Subsidy Credit	(157,130)	(157,130)	-
Administrative expenses	-	(24,347)	24,347
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	<u>(527,981)</u>	<u>974,441</u>	<u>(1,502,422)</u>
Balance as of Report Date June 30, 2021	<u>\$ 16,285,111</u>	<u>\$ 5,082,691</u>	<u>\$ 11,202,420</u>

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

Sensitivity of the total and net OPEB liability to changes in the discount rate. The total and net OPEB liability of the Town, as well as what the Town’s total and net OPEB liability would be if they were calculated using a discount rate that is one percentage point lower (3.97%) or one percentage point higher (5.97%) follows:

	1% Decrease (3.97%)	Discount Rate (4.97%)	1% Increase (5.97%)
Total OPEB Liability (Asset)	\$ 18,352,924	\$ 16,285,111	\$ 14,577,270
Increase (Decrease)	2,067,813		(1,707,841)
% Change	12.7%		-10.5%
Net OPEB Liability (Asset)	\$ 13,270,233	\$ 11,202,420	\$ 9,494,579
Increase (Decrease)	2,067,813		(1,707,841)
% Change	18.5%		-15.2%

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 7.00% and decreased to 4.04% over 55 years. The total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

	1% Decrease (6.00%)	Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability (Asset)	\$ 14,453,093	\$ 16,285,111	\$ 18,521,456
Increase (Decrease)	(1,832,018)		2,236,345
% Change	-11.2%		13.7%
Net OPEB Liability (Asset)	\$ 9,370,402	\$ 11,202,420	\$ 13,438,765
Increase (Decrease)	(1,832,018)		2,236,345
% Change	-16.4%		20.0%

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

For the year ended June 30, 2021 the Town recognized an OPEB expense of \$1,039,969. 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
Differences between actual and expected experience	\$ 694,634	\$ (1,006,586)
Changes of assumptions	40,731	(1,159,512)
Net difference between projected and actual earnings on OPEB plan investments	37,733	-
Contributions subsequent to measurement date	737,963	-
Total	<u>\$ 1,511,061</u>	<u>\$ (2,166,098)</u>

\$737,963 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, 2022.

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>	
2022	\$ (329,319)
2023	(329,322)
2024	(354,842)
2025	(342,100)
2026	(43,860)
Remaining	6,443

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - PRIOR PERIOD ADJUSTMENT

The prior period adjustment of \$175,683 was to correct the accrual of the current compensated absences liability reported in the General Fund as of June 30, 2020, as follows:

Fund balances, beginning of period	\$ 30,374,400
Prior period adjustment	<u>175,683</u>
Fund balances, beginning of period restated	<u>\$ 30,550,083</u>

NOTE 9 - SUBSEQUENT EVENTS

On March 11, 2021, HR 1319, the American Rescue Plan Act of 2021 (ARPA), was signed into law. ARPA was designed to provide assistance to individuals, businesses and, state and local governments, to assist in the economic recovery from the ongoing COVID-19 pandemic. The Town of Colma was granted an allocation of \$356,200, delivered in the fiscal year ending in June 2022. The qualified use of these funds includes: replace lost public sector revenue, respond to the far-reaching public health and negative economic impacts of the pandemic, provide premium pay for essential workers, and invest in water, sewer, and broadband infrastructure.

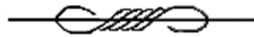
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Annual Comprehensive Financial Report

June 30, 2021

Required Supplementary Information



Annual Comprehensive Financial Report

June 30, 2021

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Annual Comprehensive Financial Report

June 30, 2021

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2021
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Sales tax	\$ 11,400,000	\$ 10,432,019	\$ 13,620,617	\$ 3,188,598
Cardroom tax	4,264,410	1,109,236	2,213,814	1,104,578
Property and other taxes	625,200	586,118	622,787	36,669
Other taxes	126,500	143,112	141,021	(2,091)
Licenses and permits	277,040	156,358	348,147	191,789
Fines and forfeits	103,170	86,888	108,484	21,596
Intergovernmental	67,010	146,169	448,184	302,015
Use of money and property	609,990	373,091	1,196,896	823,805
Other revenues	127,300	21,451	1,037,686	1,016,235
Charges for services	135,220	88,936	43,019	(45,917)
Total revenues	<u>17,735,840</u>	<u>13,143,378</u>	<u>19,780,655</u>	<u>6,637,277</u>
<u>EXPENDITURES</u>				
Current:				
General government	3,999,590	3,963,824	3,931,655	32,169
Public safety	8,610,680	7,557,157	7,976,511	(419,354)
Public works	2,439,030	1,925,237	1,852,211	73,026
Planning	497,420	851,609	295,710	555,899
Recreation	1,424,870	349,831	652,133	(302,302)
Total expenditures	<u>16,971,590</u>	<u>14,647,658</u>	<u>14,708,220</u>	<u>(60,562)</u>
Excess (deficiency) of revenues over expenditures	<u>764,250</u>	<u>(1,504,280)</u>	<u>5,072,435</u>	<u>6,576,715</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(1,284,170)	(698,670)	(576,526)	122,144
Total other financing sources (uses)	<u>(1,284,170)</u>	<u>(698,670)</u>	<u>(576,526)</u>	<u>122,144</u>
Net change in fund balance	<u>\$ (519,920)</u>	<u>\$ (2,202,950)</u>	<u>4,495,909</u>	<u>\$ 6,698,859</u>
Fund balance, beginning of period			30,374,400	
Prior period adjustment			175,683	
Fund balances, beginning of period restated			<u>30,550,083</u>	
Fund balance, end of period			<u>\$ 35,045,992</u>	

Town of Colma
Required Supplementary Information (Unaudited)
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2021

The Town follows these procedures in establishing the operating budgetary data reflected in the financial statements:

- Prior to June 30, the Town Manager submits to the Town Council a proposed annual operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means for financing them. Public hearings are conducted to obtain taxpayer comments
- The budget is legally enacted through passage of a resolution during a regular Town Council meeting in the month of June.
- The Town Manager may transfer budgeted amounts within a fund; however, any revision that alter the total expenditures of any fund must be approved by the Town Council.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, Enterprise Funds, and the Capital Project Funds. These are the only funds with legally adopted budgets.
- Budgets are adopted on a basis consistent with US. GAAP, except for Capital Project Fund expenditures, which are budgeted for the life of the project.
- Budgeted amounts are as originally adopted or as amended by the Town Council.
- Encumbrance accounting is employed as an extension of formal budgetary integration in the governmental fund types. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically re-appropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end unless Town Council takes action in the form of a resolution to continue the appropriations into the following fiscal year.

Town of Colma
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS
 June 30, 2021

Measurement Date, June 30	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.05286%	0.05113%	0.07851%	0.07722%	0.07743%	0.08263%	0.07547%
Proportion share of the net pension liability	\$ 2,229,557	\$ 2,047,539	\$ 2,958,883	\$ 3,044,014	\$ 2,689,973	\$ 2,267,047	\$ 1,865,120
Covered - employee payroll	\$ 2,174,997	\$ 1,915,941	\$ 1,714,156	\$ 1,569,041	\$ 1,439,421	\$ 1,680,743	\$ 1,818,575
Proportionate share of the net pension liability as percentage of covered-employee payroll	102.51%	106.87%	172.61%	194.00%	156.93%	144.49%	129.57%
Plan fiduciary net position as a percentage of the total pension liability	82.32%	82.50%	71.95%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 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, 2021

Measurement Date, June 30	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.13145%	0.12891%	0.12783%	0.12783%	0.19457%	0.19974%	0.20336%
Proportion share of the net pension liability	\$ 8,757,960	\$ 8,047,143	\$ 7,539,448	\$ 7,638,175	\$ 6,759,099	\$ 5,479,917	\$ 5,026,111
Covered - employee payroll	\$ 2,672,295	\$ 2,666,824	\$ 2,316,450	\$ 2,180,395	\$ 2,164,223	\$ 1,881,631	\$ 2,050,734
Proportionate share of the net pension liability as percentage of covered-employee payroll	327.73%	301.75%	325.47%	350.31%	312.31%	291.23%	267.11%
Plan fiduciary net position as a percentage of the total pension liability	75.11%	75.54%	75.31%	73.31%	74.06%	78.40%	79.82%

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

Town of Colma
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
 June 30, 2021

<u>Fiscal Year Ending June 30</u>	Town Miscellaneous Plan						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 508,104	\$ 572,633	\$ 1,429,544	\$ 333,699	\$ 294,899	\$ 359,763	\$ 226,748
Contributions in relation to the actuarially determined contributions	<u>(508,104)</u>	<u>(572,633)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ 4,379</u>	<u>\$ 110,739</u>	<u>\$ -</u>
Covered - employee payroll	\$ 2,377,024	\$ 2,174,997	\$ 1,915,941	\$ 1,714,156	\$ 1,569,041	\$ 1,439,421	\$ 1,680,743
Contributions as a percentage of covered-employee payroll	21.38%	26.33%	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, 2021

<u>Fiscal Year Ending June 30</u>	Town Miscellaneous Plan						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,404,495	\$ 1,317,296	\$ 1,050,947	\$ 930,366	\$ 788,713	\$ 820,095	\$ 712,647
Contributions in relation to the actuarially determined contributions	<u>(1,404,495)</u>	<u>(1,317,296)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ 31,358</u>	<u>\$ 132,162</u>	<u>\$ -</u>
Covered - employee payroll	\$ 2,325,564	\$ 2,672,295	\$ 2,666,824	\$ 2,316,450	\$ 2,180,395	\$ 2,164,223	\$ 1,881,631
Contributions as a percentage of covered-employee payroll	60.39%	49.29%	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, 2021

Fiscal year	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 657,975	\$ 780,902	\$ -	\$ 758,157
Interest	932,475	901,033	58,173	843,948
Benefit payments, included refunds of employee contributions	(690,829)	(620,318)	(57,557)	(508,719)
Change in assumptions	(24,222)	56,399	(1,954,200)	-
Difference between actual and expected experience	(1,246,250)	175,759	973,195	-
Implicit Subsidy Credit	(157,130)	(142,283)	-	(100,546)
Net change in total OPEB liability	(527,981)	1,151,492	(980,389)	992,840
Total OPEB liability - beginning of year	16,813,092	15,661,600	16,641,989	15,649,149
Total OPEB liability - end of year	<u>\$ 16,285,111</u>	<u>\$ 16,813,092</u>	<u>\$ 15,661,600</u>	<u>\$ 16,641,989</u>
Plan Fiduciary Net Position				
Net investment income	\$ 214,352	\$ 245,743	\$ 27,073	\$ 116,812
Contributions				
Employer - explicit subsidy	1,475,265	1,698,720	74,086	1,536,095
Employer - implicit subsidy	157,130	142,283	41,737	100,546
Benefit payments, included refunds of employee contributions	(690,829)	(620,318)	(57,557)	(508,719)
Implicit Subsidy Credit	(157,130)	(142,283)	(41,737)	(100,546)
Administrative expense	(24,347)	(8,541)	(17)	(5,300)
Net change in plan fiduciary net position	974,441	1,315,604	43,585	1,138,888
Plan fiduciary net position - beginning of year	4,108,250	2,792,646	2,749,061	1,610,173
Plan fiduciary net position - end of year	<u>5,082,691</u>	<u>4,108,250</u>	<u>2,792,646</u>	<u>2,749,061</u>
Town's net OPEB liability - end of year	<u>\$ 11,202,420</u>	<u>\$ 12,704,842</u>	<u>\$ 12,868,954</u>	<u>\$ 13,892,928</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.21%	24.43%	17.83%	16.52%
Covered-employee payroll	\$ 3,233,237	\$ 6,600,414	\$ 6,423,761	\$ 4,068,515
Net OPEB liability as a percentage of covered-employee payroll	346.48%	192.49%	200.33%	341.47%

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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,657,517	\$ 1,869,678	\$ -	\$ 1,636,641
Contributions in relation to the actuarially determined contribution	<u>(1,632,395)</u>	<u>(1,841,003)</u>	<u>(115,823)</u>	<u>(1,636,641)</u>
Contribution deficiency (excess)	<u>\$ 25,122</u>	<u>\$ 28,675</u>	<u>\$ (115,823)</u>	<u>\$ -</u>
Covered payroll	\$ 3,233,237	\$ 6,600,414	\$ 6,423,761	\$ 4,068,515
Contributions as a percentage of covered payroll	50.49%	27.89%	1.80%	40.23%

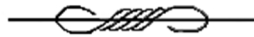
The schedules present information to illustrate changes in the Town of Colma's contributions over a ten year period when the information is available.

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
Inflation	2.50%
Assumed Rate of Payroll Growth	2.75%
Healthcare trend rates	7.00%, trending down to 4.04%
Rate of return on assets	5.74%
Mortality rate	CalPERS rates
Retirement rates	CalPERS rates

Supplementary Information



Annual Comprehensive Financial Report

June 30, 2021

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Annual Comprehensive Financial Report

June 30, 2021

Town of Colma
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	<u>Special Revenue Funds</u>							Total Nonmajor Governmental Funds
	Gas Tax	Measure A	Housing Impact Fee	Measure W	Public Safety Grants	Local law Enforcement Grants	Debt Service	
<u>ASSETS</u>								
Cash and investments	\$ 78,523	\$ 74,973	\$ 278,563	\$ 55,124	\$ 6,315	\$ 78,761	\$ -	\$ 572,259
Receivables from other governments	5,841	5,403	-	6,247	-	-	-	17,491
Total assets	<u>\$ 84,364</u>	<u>\$ 80,376</u>	<u>\$ 278,563</u>	<u>\$ 61,371</u>	<u>\$ 6,315</u>	<u>\$ 78,761</u>	<u>\$ -</u>	<u>\$ 589,750</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ 749	\$ -	\$ -	\$ -	\$ -	\$ 173	\$ -	\$ 922
Due to other funds	-	-	-	-	-	-	806	806
Total liabilities	<u>749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>806</u>	<u>1,728</u>
Fund balances:								
Restricted	83,615	80,376	278,563	61,371	6,315	78,588	-	588,828
Unassigned	-	-	-	-	-	-	(806)	(806)
Total fund balances	<u>83,615</u>	<u>80,376</u>	<u>278,563</u>	<u>61,371</u>	<u>6,315</u>	<u>78,588</u>	<u>(806)</u>	<u>588,022</u>
Total liabilities and fund balances	<u>\$ 84,364</u>	<u>\$ 80,376</u>	<u>\$ 278,563</u>	<u>\$ 61,371</u>	<u>\$ 6,315</u>	<u>\$ 78,761</u>	<u>\$ -</u>	<u>\$ 589,750</u>

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Gas tax	Measure A	Housing Impact Fee	Measure W	Public Safety Grants	Local Law Enforcement Grant Fund	Debt Service	
Revenues:								
Intergovernmental	\$ 75,641	\$ 65,884	\$ -	\$ 30,769	\$ -	\$ 156,727	\$ -	\$ 329,021
Use of money and property	1,106	2,833	2,321	343	-	819	5	7,427
Other revenues	-	-	-	-	-	-	-	-
Total revenues	<u>76,747</u>	<u>68,717</u>	<u>2,321</u>	<u>31,112</u>	<u>-</u>	<u>157,546</u>	<u>5</u>	<u>336,448</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	3,350	3,350
Public safety	-	-	-	-	550	203,734	-	204,284
Public works	17,133	-	-	-	-	-	-	17,133
Debt service:								
Principal	-	-	-	-	-	-	120,000	120,000
Interest	-	-	-	-	-	-	174,369	174,369
Total expenditures	<u>17,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550</u>	<u>203,734</u>	<u>297,719</u>	<u>519,136</u>
Excess (deficiency) of revenues over expenditures	<u>59,614</u>	<u>68,717</u>	<u>2,321</u>	<u>31,112</u>	<u>(550)</u>	<u>(46,188)</u>	<u>(297,714)</u>	<u>(182,688)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	295,612	295,612
Transfers out	<u>(87,000)</u>	<u>(320,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(407,000)</u>
Total other financing sources (uses)	<u>(87,000)</u>	<u>(320,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,612</u>	<u>(111,388)</u>
Net change in fund balances	(27,386)	(251,283)	2,321	31,112	(550)	(46,188)	(2,102)	(294,076)
Fund balances, July 1	<u>111,001</u>	<u>331,659</u>	<u>276,242</u>	<u>30,259</u>	<u>6,865</u>	<u>124,776</u>	<u>1,296</u>	<u>882,098</u>
Fund balances (deficit), June 30	<u>\$ 83,615</u>	<u>\$ 80,376</u>	<u>\$ 278,563</u>	<u>\$ 61,371</u>	<u>\$ 6,315</u>	<u>\$ 78,588</u>	<u>\$ (806)</u>	<u>\$ 588,022</u>

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	Special Revenues Funds					
	Gas Tax			Measure A		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>						
Intergovernmental	\$ 67,915	\$ 75,641	\$ 7,726	\$ 68,045	\$ 65,884	\$ (2,161)
Use of money and property	-	1,106	1,106	-	2,833	2,833
Total revenues	<u>67,915</u>	<u>76,747</u>	<u>8,832</u>	<u>68,045</u>	<u>68,717</u>	<u>672</u>
<u>Expenditures</u>						
Current:						
General government	-	-	-	-	-	-
Public works	14,340	17,133	(2,793)	-	-	-
Total expenditures	<u>14,340</u>	<u>17,133</u>	<u>(2,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency)	<u>53,575</u>	<u>59,614</u>	<u>6,039</u>	<u>68,045</u>	<u>68,717</u>	<u>672</u>
Other financing sources (uses)						
Transfers out	(87,000)	(87,000)	-	(320,000)	(320,000)	-
Total other financing sources (uses)	<u>(87,000)</u>	<u>(87,000)</u>	<u>-</u>	<u>(320,000)</u>	<u>(320,000)</u>	<u>-</u>
Change in fund balance	(33,425)	(27,386)	6,039	(251,955)	(251,283)	672
Fund balance, July 1	<u>111,001</u>	<u>111,001</u>	<u>-</u>	<u>331,659</u>	<u>331,659</u>	<u>-</u>
Fund balance, June 30	<u>\$ 77,576</u>	<u>\$ 83,615</u>	<u>\$ 6,039</u>	<u>\$ 79,704</u>	<u>\$ 80,376</u>	<u>\$ 672</u>

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	Special Revenues Funds					
	Housing Impact Fee			Measure W		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 31,902	\$ 30,769	\$ (1,133)
Use of money and property	-	2,321	2,321	-	343	343
Total revenues	-	2,321	2,321	31,902	31,112	(790)
Excess (deficiency)	-	2,321	2,321	31,902	31,112	(790)
Fund balance, July 1	276,242	276,242	-	30,259	30,259	-
Fund balance, June 30	<u>\$ 276,242</u>	<u>\$ 278,563</u>	<u>\$ 2,321</u>	<u>\$ 62,161</u>	<u>\$ 61,371</u>	<u>\$ (790)</u>

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	Special Revenues Funds					
	Police Safety Grant			Local Law Enforcement Grant Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 100,000	\$ 156,727	\$ 56,727
Use of money and property	-	-	-	-	819	819
Total revenues	-	-	-	100,000	157,546	57,546
<u>Expenditures</u>						
Current:						
General government	-	-	-	-	-	-
Public safety	275	550	(275)	208,408	203,734	4,674
Total expenditures	275	550	(275)	208,408	203,734	4,674
Excess (deficiency)	(275)	(550)	(275)	(108,408)	(46,188)	62,220
Fund balance, July 1	6,865	6,865	-	124,776	124,776	-
Fund balance, June 30	\$ 6,590	\$ 6,315	\$ (275)	\$ 16,368	\$ 78,588	\$ 62,220

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Annual Comprehensive Financial Report

June 30, 2021

Statistical Section



Annual Comprehensive Financial Report

June 30, 2021

**TOWN OF COLMA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2012	2013	2014	2015
Governmental activities:				
Invested in capital assets, net of related debt	\$ 32,290,889	\$ 31,939,040	\$ 44,599,385	\$ 46,404,513
Restricted	959,750	958,050	0	0
Unrestricted	<u>30,931,462</u>	<u>31,280,801</u>	<u>20,760,067</u>	<u>15,999,908</u>
 Total governmental activities net position	 <u>\$ 64,182,101</u>	 <u>\$ 64,177,891</u>	 <u>\$ 65,359,452</u>	 <u>\$ 62,404,421</u>
 Business-type activities:				
Invested in capital assets, net of related debt	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	0	0	0
Unrestricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total business-type activities net position	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
 Primary government:				
Invested in capital assets, net of related debt	\$ 20,933,423	\$ 22,398,018	\$ 25,161,698	\$ 27,586,964
Restricted	1,102,922	651,518	3,935,816	3,175,336
Unrestricted	<u>9,674,728</u>	<u>12,464,814</u>	<u>11,133,395</u>	<u>10,451,059</u>
 Total net position	 <u>\$ 31,711,073</u>	 <u>\$ 35,514,350</u>	 <u>\$ 40,230,909</u>	 <u>\$ 41,213,359</u>

Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021
\$ 46,657,014	\$ 43,276,758	\$ 50,892,687	\$ 53,214,320	\$ 53,465,830	\$ 53,730,885
0	0	0	0	6,540,968	8,232,580
<u>17,650,250</u>	<u>24,533,197</u>	<u>12,890,420</u>	<u>9,642,870</u>	<u>8,964,947</u>	<u>10,193,021</u>
<u>\$ 64,307,264</u>	<u>\$ 67,809,955</u>	<u>\$ 63,783,107</u>	<u>\$ 62,857,190</u>	<u>\$ 68,971,745</u>	<u>\$ 72,156,486</u>
\$ 0	\$ 0	\$ 0	\$ 2,423,416	\$ 2,421,545	\$ 2,335,896
0	0	0	0	0	0
0	0	0	<u>102,214</u>	<u>143,283</u>	<u>237,526</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,525,630</u>	<u>\$ 2,564,828</u>	<u>\$ 2,573,422</u>
\$ 28,790,829	\$ 30,133,560	\$ 30,966,750	\$ 30,310,313	\$ 55,887,375	\$ 56,066,781
960,737	1,507,673	1,787,750	1,520,545	6,540,968	8,232,580
<u>10,511,200</u>	<u>7,498,462</u>	<u>7,576,655</u>	<u>10,199,953</u>	<u>9,108,230</u>	<u>10,430,547</u>
<u>\$ 40,262,766</u>	<u>\$ 39,139,695</u>	<u>\$ 40,331,155</u>	<u>\$ 42,030,811</u>	<u>\$ 71,536,573</u>	<u>\$ 74,729,908</u>

**TOWN OF COLMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2012	2013	2014	2015	2016	2017
Expenses:						
Governmental activities*:						
General government	\$ 3,132,552	\$ 3,346,125	\$ 2,967,299	\$ 3,903,936	\$ 3,187,043	\$ 2,821,469
Public safety	5,944,039	6,913,654	6,257,453	2,832,021	7,027,124	5,693,256
Public works	2,990,162	3,047,313	3,915,614	4,285,679	4,216,784	4,519,003
Recreation & parks	1,061,289	1,058,521	908,687	946,869	968,178	1,066,457
Planning	464,616	573,399	417,626	410,942	512,090	470,802
Interest on long-term debts	587,357	575,585	483,814	0	114,087	185,669
Total governmental activities expenses	<u>13,592,658</u>	<u>15,514,597</u>	<u>14,950,493</u>	<u>12,379,447</u>	<u>16,025,306</u>	<u>14,756,656</u>
Business-type activities:						
Sewer	0	0	0	0	0	0
Town Properties	0	0	0	0	0	0
Total business-type activities expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total primary government expenses	<u>13,592,658</u>	<u>15,514,597</u>	<u>14,950,493</u>	<u>12,379,447</u>	<u>16,025,306</u>	<u>14,756,656</u>
Program revenues:						
Governmental activities:						
Charges for services:						
General government	0	0	20,175	0	0	0
Public safety	83,732	67,536	102,641	106,935	68,225	250,905
Public works	385,942	421,062	709,810	826,619	500,000	290,067
Recreation & parks	61,940	82,825	71,176	78,592	524,317	580,133
Planning	385,942	421,063	100,113	109,561	281,687	476,222
Operating contributions and grants	0	0	0	138,809	282,497	156,775
Capital contributions and grants	2,037,958	2,314,303	479,793	0	0	169,204
Total governmental activities program revenues	<u>2,955,514</u>	<u>3,306,789</u>	<u>1,483,708</u>	<u>1,260,516</u>	<u>1,656,726</u>	<u>1,923,306</u>
Business-type activities*:						
Charges for services:						
Sewer	0	0	0	0	0	0
Town Properties	0	0	0	0	0	0
Operating contributions and grants	0	0	0	0	0	0
Capital contributions and grants	0	0	0	0	0	0
Total business-type activities program revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total primary government program revenues	<u>2,955,514</u>	<u>3,306,789</u>	<u>1,483,708</u>	<u>1,260,516</u>	<u>1,656,726</u>	<u>1,923,306</u>
Net revenues (expenses)						
Government activities	(10,637,144)	(12,207,808)	(13,466,785)	(11,118,931)	(14,368,580)	(12,833,350)
Business-type activities *	0	0	0	0	0	0
Total net revenues (expenses)	<u>(10,637,144)</u>	<u>(12,207,808)</u>	<u>(13,466,785)</u>	<u>(11,118,931)</u>	<u>(14,368,580)</u>	<u>(12,833,350)</u>
General revenues and other changes in net position:						
Governmental revenues:						
Taxes						
Property taxes	334,320	354,574	617,618	472,157	617,172	578,560
Sales taxes	5,045,150	5,517,652	6,232,713	6,843,923	10,851,063	11,202,349
Cardroom taxes	5,091,032	4,957,234	4,703,462	4,140,070	4,039,518	4,290,660
Motor vehicle in-lieu, unrestricted	0	0	0	0	0	0
Other taxes and fees	56,455	74,736	105,257	2,454,113	115,585	223,883
Use of money/property and interest earnings	476,595	496,197	503,140	615,754	473,432	247,803
Other revenues	63,213	70,307	41,408	122,329	174,653	242,786
Transfers	0	0	0	0	0	0
Total governmental activities	<u>11,066,765</u>	<u>11,470,700</u>	<u>12,203,598</u>	<u>14,648,346</u>	<u>16,271,423</u>	<u>16,786,041</u>
Business-type activities*:						
Use of money and property	0	0	0	0	0	0
Other revenues	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Total business-type activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total primary government	<u>11,066,765</u>	<u>11,470,700</u>	<u>12,203,598</u>	<u>14,648,346</u>	<u>16,271,423</u>	<u>16,786,041</u>
Changes in net position						
Governmental activities	429,621	(737,108)	(1,263,187)	3,529,415	1,902,843	3,952,691
Business-type activities *	0	0	0	0	0	0
Total primary government	<u>\$ 429,621</u>	<u>\$ (737,108)</u>	<u>\$ (1,263,187)</u>	<u>\$ 3,529,415</u>	<u>\$ 1,902,843</u>	<u>\$ 3,952,691</u>

* Town Council approved the creation of two business-type activities in October 2018.

Source: Audited Financial Statements

	2018	2019	2020	2021
\$	3,158,045	\$ 4,735,196	\$ 3,803,188	\$ 4,424,559
	7,877,748	7,711,938	7,173,372	8,305,409
	4,256,204	5,673,752	3,044,965	4,183,431
	1,210,189	1,250,971	1,021,257	879,315
	443,700	315,743	414,973	74,881
	183,469	181,268	178,969	174,369
	<u>17,129,355</u>	<u>19,868,868</u>	<u>15,636,724</u>	<u>18,041,964</u>
	0	932,502	948,619	1,044,830
	<u>0</u>	<u>161,814</u>	<u>158,516</u>	<u>159,323</u>
	0	1,094,316	1,107,135	1,204,153
	<u>17,129,355</u>	<u>20,963,184</u>	<u>16,743,859</u>	<u>19,246,117</u>
	0	0	0	0
	97,848	25,417	122,934	114,569
	1,194,533	167,165	172,061	259,022
	142,078	83,662	58,396	22,797
	264,422	115,036	117,317	103,262
	230,352	237,521	238,989	719,770
	283,634	442,309	256,757	1,158,693
	<u>2,212,867</u>	<u>1,071,110</u>	<u>966,454</u>	<u>2,378,113</u>
	0	824,239	850,366	987,697
	0	193,308	190,931	192,722
	0	0	0	0
	0	2,416,096	0	0
	<u>0</u>	<u>3,433,643</u>	<u>1,041,297</u>	<u>1,180,419</u>
	<u>2,212,867</u>	<u>4,504,753</u>	<u>2,007,751</u>	<u>3,558,532</u>
	(14,916,488)	(18,797,758)	(14,670,270)	(15,663,851)
	<u>0</u>	<u>2,339,327</u>	<u>(65,838)</u>	<u>(23,734)</u>
	<u>(14,916,488)</u>	<u>(16,458,431)</u>	<u>(14,736,108)</u>	<u>(15,687,585)</u>
	601,116	640,080	680,615	622,787
	11,397,118	12,066,527	10,520,000	13,620,617
	4,352,743	4,520,957	3,319,059	2,213,814
	0	0	0	0
	134,789	131,862	140,997	141,021
	416,023	679,643	942,128	1,231,305
	113,922	(167,224)	115,716	1,049,962
	0	(185,480)	(98,253)	(30,914)
	<u>17,015,711</u>	<u>17,686,365</u>	<u>15,620,262</u>	<u>18,848,592</u>
	0	823	6,782	1,413
	0	0	0	0
	0	185,480	98,253	30,914
	<u>0</u>	<u>186,303</u>	<u>105,035</u>	<u>32,327</u>
	<u>17,015,711</u>	<u>17,872,668</u>	<u>15,725,297</u>	<u>18,880,919</u>
	2,099,223	(1,111,393)	949,992	3,184,741
	0	2,525,630	39,197	8,593
\$	<u>2,099,223</u>	<u>\$ 1,414,237</u>	<u>\$ 989,189</u>	<u>\$ 3,193,334</u>

**TOWN OF COLMA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ -	\$ 0	\$ 0	\$ 0
Reserved	103,788	98,956	0	0
Restricted - Pension & OPEB	0	0	0	0
Committed	0	24,552,790	20,100,000	13,576,000
Assigned	6,464,640	10,319,919	6,417,979	950,000
Unassigned	<u>27,462,519</u>	<u>950,000</u>	<u>950,000</u>	<u>13,591,913</u>
 Total General Fund	 <u>\$ 5,788,511</u>	 <u>\$ 4,564,602</u>	 <u>\$ 5,223,779</u>	 <u>\$ 5,410,511</u>
 All other governmental funds				
Restricted	\$ 959,750	\$ 958,050	\$ 0	\$ 0
Committed	120,291	203,792	79,249	71,557
Assigned	0	0	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>(47,219)</u>
 Total all other governmental funds	 <u>\$ 1,897,547</u>	 <u>\$ 4,633,079</u>	 <u>\$ 3,441,870</u>	 <u>\$ 1,820,403</u>

Source: Audited Financial Statements

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,242
0	0	0	0	0	0
0	0	0	0	6,540,968	7,643,752
14,287,000	14,287,000	15,542,000	13,250,000	13,315,000	13,031,341
950,000	950,000	950,000	950,000	950,000	950,000
7,357,248	6,310,836	7,965,214	10,982,278	9,568,432	13,304,657
<u>\$ 5,777,882</u>	<u>\$ 3,303,979</u>	<u>\$ 3,276,433</u>	<u>\$ 5,705,162</u>	<u>\$ 30,374,400</u>	<u>\$ 35,045,992</u>
\$ 4,343,192	\$ 1,729,570	\$ 0	\$ 0	\$ 0	\$ 588,828
8,980,111	13,839,459	8,399,613	3,721,232	4,499,197	0
0	0	0	0	0	2,426,272
0	0	(11,269)	0	0	(806)
<u>\$ 1,311,759</u>	<u>\$ 1,398,517</u>	<u>\$ 2,142,245</u>	<u>\$ 2,039,169</u>	<u>\$ 4,499,197</u>	<u>\$ 3,014,294</u>

TOWN OF COLMA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017
Revenues:						
Property taxes	\$ 354,574	\$ 617,618	\$ 472,157	\$ 554,778	\$ 617,172	\$ 578,560
Sales taxes	5,517,652	6,232,713	6,843,923	10,327,853	10,851,063	11,202,349
Cardroom taxes	4,957,234	4,703,462	4,140,070	3,774,885	4,039,518	4,290,660
Other taxes	74,736	105,257	2,454,113	138,463	115,585	136,895
Licenses and permits	83,862	114,546	100,113	109,724	281,687	372,321
Fines and forfeits	83,732	67,536	66,611	65,785	68,225	64,740
Intergovernmental	2,037,958	2,314,303	479,793	407,960	282,497	412,967
Use of money and property	496,197	503,140	615,754	427,801	473,432	247,803
Other revenues	70,307	41,408	122,329	148,351	222,156	242,786
Charges for services	749,962	810,404	837,191	946,198	1,024,317	1,160,266
Total revenues	14,426,214	15,510,387	16,132,054	16,901,798	17,975,652	18,709,347
Expenditures						
Current:						
General government	2,936,363	2,921,076	2,967,299	3,903,936	3,194,543	2,821,469
Public safety	4,822,180	5,445,546	5,397,761	4,961,165	5,748,812	6,280,151
Public works	2,866,880	2,936,622	3,299,749	6,083,862	4,730,141	6,575,487
Recreation	883,961	880,931	908,687	946,869	973,178	1,066,457
Planning	287,288	395,809	417,626	410,942	512,090	470,802
Debt service:						
Principal	375,000	385,000	12,100,000	0	180,000	110,000
Interest	584,509	572,884	577,209	0	114,087	185,669
Total expenditures	12,756,181	13,537,868	25,668,331	16,306,774	15,452,851	17,510,035
Excess (deficiency) of revenues over (under) expenditures	1,670,033	1,972,519	(9,536,277)	595,024	2,522,801	1,199,312
Other financing sources (uses)						
Transfers in	1,140,692	1,230,450	12,246,681	0	9,833,630	5,848,997
Transfers out	(1,140,692)	(1,230,450)	(12,246,681)	0	(9,833,630)	(5,848,997)
Issuance of long-term debt	0	0	0	0	5,252,497	0
Other financing sources (uses)	0	0	0	0	5,252,497	0
Net change in fund balances	\$ 292,254	\$ 1,884,758	\$ (229,980)	\$ (1,026,026)	\$ (738,208)	\$ (2,646,160)
Debt service as a percentage of noncapital expenditures	3.9%	4.0%	3.7%	3.3%	3.5%	23.1%

Source: Audited Financial Statements

2018	2019	2020	2021
\$ 601,116	\$ 640,080	\$ 680,615	\$ 622,787
11,397,118	12,066,527	10,520,000	13,620,617
4,352,743	4,520,957	3,319,059	2,213,814
127,789	131,862	140,997	141,021
278,046	123,626	275,241	348,147
73,907	103,519	105,387	108,484
432,281	594,307	495,745	1,878,463
416,023	668,061	905,349	1,225,134
392,804	59,808	111,160	1,049,962
1,156,751	123,216	90,080	43,019
<u>19,228,578</u>	<u>19,031,963</u>	<u>16,643,633</u>	<u>21,251,448</u>
3,158,045	4,735,196	3,782,765	3,935,005
7,214,813	8,422,400	7,164,037	8,180,795
11,312,133	7,766,952	3,050,446	4,851,515
1,108,920	1,250,971	1,033,665	652,133
443,700	315,743	414,973	295,710
110,000	115,000	115,000	120,000
183,469	181,268	178,969	174,369
<u>23,531,080</u>	<u>22,787,530</u>	<u>15,739,855</u>	<u>18,209,527</u>
<u>(4,302,502)</u>	<u>(3,755,567)</u>	<u>903,778</u>	<u>3,041,921</u>
1,215,893	3,332,131	1,612,830	1,472,612
(1,215,893)	(3,517,611)	(1,711,083)	(1,503,526)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>(185,480)</u>	<u>(98,253)</u>	<u>(30,914)</u>
<u>\$ 14,479</u>	<u>\$ 2,325,654</u>	<u>\$ 805,525</u>	<u>\$ 3,011,007</u>
0.3%	0.3%	1.9%	1.6%

TOWN OF COLMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal year ended June 30	Secured roll	Unsecured roll	Less exemptions	Taxable assessed value	Total direct tax rate	% change in assessed value	Property tax revenue per fin stmt
2012	\$ 497,097,100	\$ 34,175,946	\$ 542,325	\$ 531,815,371	0.078%	0.52%	\$ 354,574
2013	520,782,477	36,007,528	542,325	557,332,330	0.077%	4.80%	617,618
2014	534,119,184	36,578,906	542,325	571,240,415	0.072%	2.50%	472,157
2015	577,284,551	36,807,516	542,325	614,634,392	0.069%	7.60%	554,778
2016	583,049,863	38,607,884	723,100	622,380,847	0.072%	1.26%	617,172
2017	600,830,262	34,339,922	723,100	635,893,284	0.074%	2.17%	578,560
2018	618,149,159	32,961,152	723,100	651,833,411	0.078%	2.51%	601,116
2019	643,021,845	33,927,523	723,100	677,672,468	0.079%	3.96%	640,080
2020	681,306,233	31,900,343	903,875	714,110,451	0.095%	5.38%	680,615
2021	722,641,283	35,183,210	903,875	758,728,368	0.082%	6.25%	622,787

(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
COMPUTATION OF DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Agency							Town's Share of 1% Basic Levy
	Basic Levy 1	Jefferson Elementary	Jefferson High Bond	San Mateo Community College 2005 Series B	San Mateo Junior College	South San Francisco Unified	Total Direct & Overlapping Tax Rates	
2012	1.00000	0.04070	0.04220	0.00000	0.01990	0.02210	1.12490	0.09297
2013	1.00000	0.03160	0.04300	0.00000	0.01940	0.03270	1.12670	0.09297
2014	1.00000	0.07130	0.05740	0.00000	0.01940	0.03280	1.18090	0.09297
2015	1.00000	0.06620	0.05300	0.00000	0.01900	0.05130	1.18950	0.09297
2016	1.00000	0.06740	0.05830	0.00000	0.02500	0.04570	1.19640	0.09297
2017	1.00000	0.06800	0.08000	0.00000	0.02470	0.04670	1.21940	0.09297
2018	1.00000	0.06630	0.08160	0.00000	0.02350	0.03660	1.20800	0.09297
2019	1.00000	0.05630	0.07390	0.00000	0.01750	0.04220	1.18990	0.09297
2020	1.00000	0.06670	0.08110	0.00350	0.02310	0.03810	1.21250	0.09297
2021	1.00000	0.06670	0.09420	0.00370	0.01760	0.03500	1.21720	0.09297

Source: San Mateo County Assessor's 2011-12 Through 2020-21 Tax Rate Table

**TOWN OF COLMA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	Type of property	2021		2012	
		Assessed value	Percentage of net assessed valuation	Assessed value	Percentage of net assessed valuation
280 Metro LP	Commercial	\$ 114,147,881	15.04%	\$ 65,882,223	0.12388176
Cole HD Colma California LP	Commercial	43,284,836	5.70%	36,949,024	6.95%
Robert F Whittey Trust Et Al	Recreational	34,362,882	4.53%	-	-
Extra Space Properties Forty LLC	Industrial	26,744,038	3.52%	22,788,844	4.29%
Kohl's Department Stores Inc	Commercial	25,308,764	3.34%	18,118,599	3.41%
Realty Income Trust	Commercial	22,797,000	3.00%	-	-
Gregory Gordon Price Et Al	Commercial	22,130,315	2.92%	-	-
BMVT Motors Inc	Commercial	21,485,197	2.83%	-	-
Dayton - Hudson Corporation	Commercial	21,378,671	2.82%	-	-
Best Buy Stores LP	Commercial	20,946,055	2.76%	18,047,689	3.39%
Estate of George R Karadanis	Recreational	-	-	29,333,021	5.52%
Thomas A Price Lessee	Commercial	-	-	19,241,145	3.62%
Target Corporation	Commercial	-	-	18,751,303	3.53%
Home Depot USA Inc	Commercial	-	-	17,248,883	3.24%
Verducci Enterprises LP	Commercial	-	-	14,517,579	2.73%
Top Ten Total		\$ 352,585,639	46.47%	\$ 99,091,931	18.63%
Town Total		\$ 758,728,368		\$ 531,815,371	

Source: San Mateo County Assessor 2011/12 and 2020/21 Combined Tax Rolls and the SBE Non Unitary Tax Roll

**TOWN OF COLMA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy		Collected within FY		Collections Subsequent Year (3)	Total Collections to Date		Value of property subject to local tax rate	
			Amount	% of Levy		Amount	% of Levy		
2012	\$	334,320	-9%	\$ 334,320	100%	\$	334,320	100%	\$ 531,815,371
2013		354,574	6%	354,574	100%		354,574	100%	557,332,330
2014		617,618	74%	617,618	100%		617,618	100%	571,240,415
2015		472,157	-24%	472,157	100%		472,157	100%	614,634,392
2016		617,172	31%	617,172	100%		617,172	100%	622,380,847
2017		578,560	-6%	578,560	100%		578,560	100%	635,893,284
2018		601,116	4%	601,116	100%		601,116	100%	651,833,411
2019		640,080	6%	640,080	100%		640,080	100%	677,672,468
2020		680,615	6%	680,615	100%		680,615	100%	714,110,451
2021		622,787	-8%	622,787	100%		622,787	100%	758,728,368

The County of San Mateo levies, bills, and collects property taxes for the Town. Under the Teeter Bill, the County remits the entire amount levied and handles the delinquencies, retaining interest and penalties.

Sources: San Mateo County Assessor Office 2020-2021 Combined Tax Rolls
Town of Colma financial reports

TOWN OF COLMA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Police Station COP</u>	<u>Town Hall COP</u>	<u>Total governmental activities and primary government</u>	<u>Debt per capita</u>	<u>Population</u>
2012	\$ 375,000	\$ -	\$ 375,000	210	1,789
2013	385,000	-	385,000	264	1,458
2014	12,100,000	-	12,100,000	8,231	1,470
2015	-	-	-	-	1,471
2016	-	180,000	180,000	119	1,509
2017	-	110,000	110,000	73	1,506
2018	-	110,000	110,000	73	1,501
2019	-	115,000	115,000	76	1,512
2020	-	115,000	115,000	67	1,729
2021	-	120,000	120,000	72	1,659

Prior to fiscal year 2005, the Town had no debt. Details regarding the Town's outstanding debt can be found in Note #5 to financial statements.

The Town entered into a lease agreement in the amount of \$2,000,000 in September, 2004 to finance the new Town Hall project. In Fiscal Year 2011-12, Town paid-off outstanding loan amount of \$1363,047.

The Town received a loan in the amount of \$160,000 during fiscal year 2006 to provide funding for energy conservation features of the new building. In fiscal year 2010-11, Town received additional loan in the amount of \$47,000 for another energy efficiency project. During Fiscal Year 2015-16, the Town paid off the loan balance.

Source: Debt Data - Town of COLMA Financial Statements
 Population: California Department of Finance

**TOWN OF COLMA
DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED JUNE 30, 2021**

TOWN OF COLMA

2020-21 Assessed Valuation: \$758,728,368

	Total Debt 6/30/2021	% Applicable (1)	Town's Share of Debt 6/30/21
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
San Mateo County	\$792,585,000	1.716%	\$13,600,759
Foothill-DeAnza Community College District	584,782,455	4.998	29,227,427
Palo Alto Unified School District	306,673,766	7.210	22,111,179
Mountain View-Los Altos Union High School District	59,156,005	10.644	6,296,565
Los Altos School District	73,555,000	21.983	16,169,596
El Camino Hospital District	136,280,000	8.889	12,113,929
Midpeninsula Regional Open Space District	45,000,000	2.952	1,328,400
Santa Clara Valley Water District Benefit Assessment District	99,060,000	1.716	1,699,870
Town of COLMA	0	100.	0
Town of COLMA 1915 Act Bonds	1,795,000	100.	1,795,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$104,342,725
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Santa Clara County General Fund Obligations	\$677,526,121	1.716%	\$11,626,348
Santa Clara County Pension Obligation Bonds	367,118,349	1.716	6,299,751
Santa Clara County Board of Education Certificates of Participation	6,380,000	1.716	109,481
Foothill-DeAnza Community College District Certificates of Participation	9,723,341	4.998	485,973
Mountain View-Los Altos Union High School District Certificates of Participation	2,415,000	10.644	257,053
Santa Clara County Vector Control District Certificates of Participation	2,890,000	1.716	49,592
Midpeninsula Regional Park District General Fund Obligations	122,305,886	2.952	3,610,470
TOTAL OVERLAPPING GENERAL FUND DEBT			\$22,438,668
TOTAL DIRECT DEBT			\$0
TOTAL OVERLAPPING DEBT			\$126,781,393
COMBINED TOTAL DEBT			\$126,781,393 (2)

(1) The percentage of overlapping debt applicable to the Town is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the Town divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2015-16 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.57%
Combined Total Debt	1.90%

Source: California Municipal Statistics

**TOWN OF COLMA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

<u>Fiscal years ended June 30</u>	<u>Total assessed valuation</u>	<u>Bonded debt limit - 15% of assessed valuation</u>	<u>Amount of debt subject to limit</u>	<u>Legal debt margin</u>
2011	\$ 529,074,879	\$ 79,361,232	\$ -	\$ 79,361,232
2012	531,815,371	79,772,306	-	79,772,306
2013	557,332,330	83,599,850	-	83,599,850
2014	571,240,415	85,686,062	-	85,686,062
2015	614,634,392	92,195,159	-	92,195,159
2016	622,380,847	93,357,127	-	93,357,127
2017	635,893,284	95,383,993	-	95,383,993
2018	651,833,411	97,775,012	-	97,775,012
2019	677,672,468	101,650,870	-	101,650,870
2020	714,110,451	107,116,568	-	107,116,568
2021	758,728,368	113,809,255	-	113,809,255

The Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the Town.

The Town of Colma has no general bonded indebtedness.

Source: San Mateo County Assessor 2020-21 Combined Tax Rolls

**TOWN OF COLMA
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN YEARS**

Year	Town Population	Personal Income (in thousand)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2011	1,637	\$ 36,937	\$ 22,564				
2012	1,789	45,492	25,429	9.7%	33.6	87.7%	32.8%
2013	1,458	53,392	36,620	6.3%	30.7	87.9%	30.2%
2014	1,470	53,218	36,203	5.2%	32.1	82.9%	29.5%
2015	1,471	54,449	37,015	4.5%	31.6	84.6%	33.7%
2016	1,509	55,581	36,832	3.6%	30.3	86.3%	35.6%
2017	1,506	49,093	32,598	3.2%	32.2	84.6%	30.9%
2018	1,501	57,369	38,220	3.2%	33.0	89.0%	32.3%
2019	1,512	56,218	37,181	2.3%	36.6	91.0%	28.1%
2020	1,729	58,803	34,009	2.3%	36.0	89.9%	26.8%
2021	1,659	58,079	35,008	8.9%	38.8	86.6%	26.8%

Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department
 2000-2009 Income, Age, Education Data: ESRI - Demographics Estimates are based on the last available Census.
 2010 and later - Income, Age, and Education Data - US Census Bureau, most recent American Community Survey

TOWN OF COLMA
PRINCIPAL EMPLOYERS - In Alphabetical Order
CURRENT YEAR

Employer	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Best Buy	155	0	100	139	126	110	110	110	91	92
Car Max	0	0	0	0	0	0	0	0	75	68
Cypress Lawn	68	68	72	114	164	118	118	118	121	153
Home Depot	204	201	193	203	205	187	187	187	193	241
Home Depot Pro	172	152	160	156	184	177	177	177	186	200
Honda of Serramonte	75	77	77	89	86	97	97	102	103	94
Kohl's	158	112	112	112	112	112	112	112	112	112
Lexus of Serramonte	80	90	90	100	100	103	103	103	105	79
Lucky Chances	638	611	616	601	585	544	544	573	588	199
Nordstrom, Inc	67	69	75	0	98	73	73	0	0	0
Serramonte Ford	125	151	153	153	175	175	175	170	150	122
Steward Chevrolet	63	99	96	105	105	104	104	104	104	102
Target	380	416	499	427	355	337	337	337	392	334
Totals	<u>2,185</u>	<u>2,046</u>	<u>2,243</u>	<u>2,199</u>	<u>2,295</u>	<u>2,137</u>	<u>2,137</u>	<u>2,093</u>	<u>2,220</u>	<u>1,796</u>

Source: Colma Business License

**TOWN OF COLMA
 FULL TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	5.25	5.25	5.25	5.30	6.05	4.75	6.10	7.25	7.95	8.08
Public safety	23.75	24.00	24.00	25.20	25.20	25.20	25.20	25.90	25.90	25.90
Public Works and Planning	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Recreation	10.00	10.00	10.00	10.50	10.50	11.25	10.00	10.50	10.50	9.50
	<u>42.00</u>	<u>42.25</u>	<u>42.25</u>	<u>44.00</u>	<u>44.75</u>	<u>44.20</u>	<u>44.30</u>	<u>46.65</u>	<u>47.35</u>	<u>46.48</u>

Source: Town of Colma Personnel Records

**TOWN OF COLMA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Business Checks	*	*	*	1,595	988	818	713	725	288	1,284
Calls for Service	*	*	*	4,406	4,326	4,870	5,491	5,000	4,224	6,012
Community Events	*	*	*	75	74	96	119	100	80	72
Gang Task Force Hours	*	*	*	540	510	528	357	540	530	540
Parking citation	*	*	*	*	*	1,805	2,229	1,748	1,992	2,796
Planning										
Plans check	36	23	37	38	54	72	54	50	47	47
Permits Issued	12	25	28	12	15	20	46	24	22	20
Recreation classes and activities offered										
Picnic rentals	188	189	193	213	216	238	237	237	192	16
Recreation programs	99	102	98	131	121	125	130	134	137	64
Program Participation	4,808	4,566	5,094	5,356	5,757	5,600	5,874	5,900	6,000	5,621

* Historical data is not available

Source: Town of Colma

**TOWN OF COLMA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Other Town Properties										
Number of police station	0	0	0	1	1	1	1	1	1	1
Number of Building at Town Hall	2	2	2	2	2	2	1	1	1	1
Number of Corporation Yard	1	1	1	1	1	1	1	1	1	1
Number of Colma Museum	1	1	1	1	1	1	1	1	1	1
Leisure and Culture										
Number of recreation center facilities	2	2	2	2	2	2	2	2	2	2
Number of parks	2	2	2	2	2	2	2	2	2	2
Number of senior housing	18	18	18	18	18	18	18	18	18	18
Drainage and Street Operations										
Miles of streets	12	12	12	12	12	12	12	12	12	12
Average Pavement Condition Index Scores	*	73	78	83	84	83	80	79	79	79
Sewer Operations										
Miles of sanitary sewer	32	32	32	32	32	32	32	32	32	32
Miles of storm sewer	10	10	10	10	10	10	10	10	10	10

* Historical data is not available

Source: Town of COLMA



TOWN OF COLMA
TOWN COUNCIL
&
MANAGEMENT REPORT

For the Year Ended
JUNE 30, 2021

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Town Council
Town of Colma
Colma, California

In planning and performing our audit of the basic financial statements of Town of Colma for the fiscal year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Colma's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's basic financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

This report is intended solely for the information and use of management and Town Council of Town of Colma and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We thank Town of Colma's staff for its cooperation during our audit.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 1, 2022

Town Council
Town of Colma
Colma, California

We have audited the basic financial statements of Town of Colma for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 13, 2021, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Town of Colma. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Town of Colma are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Town of Colma during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were:

- Accrual and disclosure of compensated absences;
- Capital asset lives and depreciation expense;
- Actuarial assumptions for pension and post-employment benefits;
- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 1, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Town of Colma’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town of Colma’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis and the Budgetary Comparison Schedule for the General Fund, Local Government’s Proportionate Share of Net Pension Liability, and Schedules of Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory Section and the Statistical Section, which accompany the financial statements but are not RSI. Such information has 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 it.

This report is intended solely for the information and use of management and Town Council of Town of Colma and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Town of Colma
MANAGEMENT REPORT
For the Year Ended June 30, 2021

Current Year Observations

There were no current year observations.

Prior Year Observations

There were no prior year observations.

**TOWN OF COLMA
MEASURE A FUND
(A nonmajor component unit fund)**

FINANCIAL STATEMENTS

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure A Fund of Town of Colma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Measure A Fund's 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 Measure A Fund'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 Measure A Fund'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.

As described in Note 1 to the financial statements, the accompanying financial statements present only the Measure A Fund and do not purport to, and do not, present fairly the financial position of Town of Colma, California, as of June 30, 2021, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure A Fund of Town of Colma, California, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
October 6, 2021

Town of Colma
Measure A Fund
GOVERNMENTAL FUND TYPE
BALANCE SHEET
June 30, 2021

ASSETS

Cash	\$ 74,973
Accounts receivable	<u>5,403</u>
Total assets	<u>\$ 80,376</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to other fund	<u>\$ -</u>
Fund balance:	
Assigned	<u>80,376</u>
Total liabilities and fund balances	<u>\$ 80,376</u>

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

Town of Colma
Measure A Fund
GOVERNMENTAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

Revenues:	
20 percent of 1/2 cent sales tax	\$ 65,884
Use of money and property	<u>2,833</u>
Total revenues	<u>68,717</u>
Expenditures:	
Capital outlay	<u>-</u>
Total expenditures	<u>-</u>
Excess of revenues over expenditures	<u>68,717</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	-
Transfers out	<u>(320,000)</u>
Total other financing sources (uses)	<u>(320,000)</u>
Net change in fund balance	(251,283)
Fund balance, beginning of period	<u>331,659</u>
Fund balance, end of period	<u>\$ 80,376</u>

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

Town of Colma
Measure A Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - REPORTING ENTITY

At the general election on June 7, 1988, the voters of San Mateo County approved Measure A, “An ordinance providing for the creation of the San Mateo County Transportation Authority, for the imposition of a one-half of one percent transactions and use tax, for the issuance of limited tax bonds, and for other purposes.” It also includes an annual allocation of 20 percent of the total revenue generated by the aforementioned ½ percent transactions and use tax to the cities of San Mateo County and to the County of San Mateo for the improvement of local transportation, including streets and roads.

The Measure A Fund (the Fund) is a blended component unit nonmajor fund of Town of Colma. The accounting policies of the Fund conform to U.S. generally accepted accounting principles as applicable to governments. The accompanying financial statements present financial information for only the Measure A Fund, and not for Town of Colma (the Town) as a whole.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred by the Fund.

B. Budgets and Budgetary Accounting

The Town adopted an annual budget for the Fund for the fiscal year ending June 30, 2021. The Town’s budget is prepared on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at year end.

The appropriated budget is prepared by fund, function, department and line item. The legal level of budgetary control is the fund level. Any changes to increase total appropriations in a fund require the approval of the Town Council.

NOTE 3 - CASH AND INVESTMENTS

The Town pools various funds’ cash for investment purposes. The Fund’s equity in such pooled assets is shown as “Cash and Investments.” Cash and investments in the accompanying financial statements are carried at fair value.

The Town is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, the San Mateo County Treasurer’s Investment Pool and other permitted investments.

Town of Colma
Measure A Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (concluded)

Interest earnings, if any, were allocated to the Fund in the 2021 fiscal year based upon the Fund's average cash balances and the proportionate interest earned by the Town on its pooled investments in the State of California Local Agency Investment Fund (LAIF) and the San Mateo County Treasurer Pool. See the Town's Basic Financial Statements for the disclosures related to cash and investments and the related custodial risk categorization.

NOTE 4 - CONTINGENCIES

Local Financial Assistance. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the San Mateo County Transportation Authority. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantors cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including California, declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to the Town's operations included new restrictions on employees' work location and planning heightened sanitation awareness requirements on office staff. It is anticipated impacts from this pandemic will continue for some time. As of the report date, the financial impact of the coronavirus outbreak cannot be measured.

NOTE 5 - ASSIGNED FUND BALANCE

The accompanying 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 fund balances of governmental funds now reflect the component classification of assigned fund balance.

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 assigned authority has been delegated by the Town Council.

NOTE 6 - INTERFUND TRANSFERS

The Measure A Fund transferred \$320,000 to the Street Capital Projects Fund during the current fiscal year ended June 30, 2021. The funds were used for the Mission Road Bicycle and Pedestrian Project.

NOTE 7 - SUBSEQUENT EVENTS

The Town's management has evaluated events and transactions subsequent to June 30, 2021 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued.

REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH AUDITING
STANDARDS GENERALLY ACCEPTED IN
THE UNITED STATES OF AMERICA

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

We have audited the Town of Colma's compliance with the agreement between the Town of Colma and San Mateo County Transportation Authority applicable to the Measure A Fund for the year ended June 30, 2021. Compliance with the requirements referred to above is the responsibility of Town of Colma's management. Our responsibility is to express an opinion on Town of Colma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the agreement between the Town of Colma and San Mateo County Transportation Authority. Those standards and agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the Measure A Fund. An audit includes examining, on test basis, evidence about Town of Colma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Town of Colma's compliance with those requirements.

Compliance

As part of obtaining reasonable assurance about whether Town of Colma Measure A Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including tests of Town of Colma's compliance with certain provisions of Measure A, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under U.S. generally accepted auditing standards.

This report is intended solely for the information of and use of the Town Council and management of Town of Colma, and the County of San Mateo Transportation Authority, and is not intended to be and should not be used by anyone other than these specified parties.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
October 6, 2021



**TOWN OF COLMA
MEASURE W FUND
(A nonmajor component unit fund)**

FINANCIAL STATEMENTS

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure W Fund of Town of Colma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Measure W Fund's 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 Measure W Fund'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 Measure W Fund'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.

As described in Note 1 to the financial statements, the accompanying financial statements present only the Measure W Fund and do not purport to, and do not, present fairly the financial position of Town of Colma, California, as of June 30, 2021, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure W Fund of Town of Colma, California, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
October 6, 2021

Town of Colma
Measure W Fund
GOVERNMENTAL FUND TYPE
BALANCE SHEET
June 30, 2021

ASSETS

Cash	\$ 55,124
Accounts receivable	<u>6,247</u>
 Total assets	 <u>\$ 61,371</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to other fund	<u>\$ -</u>
 Fund balance:	
Assigned	<u>61,371</u>
 Total liabilities and fund balances	 <u>\$ 61,371</u>

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

Town of Colma
Measure W Fund
GOVERNMENTAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

Revenues:	
1/2 cent sales tax	\$ 30,769
Use of money and property	<u>343</u>
Total revenues	<u>31,112</u>
Expenditures:	
Capital outlay	<u>-</u>
Total expenditures	<u>-</u>
Excess of revenues over expenditures	<u>31,112</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	-
Transfers out	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	31,112
Fund balance, beginning of period	<u>30,259</u>
Fund balance, end of period	<u>\$ 61,371</u>

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

Town of Colma
Measure W Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - REPORTING ENTITY

At the general election on November 6, 2018, the voters of San Mateo County approved Measure W, “An ordinance providing for the imposition of a one-half of one percent sales tax on all retail transactions in the County of San Mateo for the improvement of local transportation, including transit, streets and roads.”

The Measure W Fund (the Fund) is a blended component unit nonmajor fund of Town of Colma. The accounting policies of the Fund conform to U.S. generally accepted accounting principles as applicable to governments. The accompanying financial statements present financial information for only the Measure W Fund, and not for Town of Colma (the Town) as a whole.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred by the Fund.

B. Budgets and Budgetary Accounting

The Town adopted an annual budget for the Fund for the fiscal year ending June 30, 2021. The Town’s budget is prepared on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at year end.

The appropriated budget is prepared by fund, function, department and line item. The legal level of budgetary control is the fund level. Any changes to increase total appropriations in a fund require the approval of the Town Council.

NOTE 3 - CASH AND INVESTMENTS

The Town pools various funds’ cash for investment purposes. The Fund’s equity in such pooled assets is shown as “Cash and Investments.” Cash and investments in the accompanying financial statements are carried at fair value.

The Town is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, the San Mateo County Treasurer’s Investment Pool and other permitted investments.

Town of Colma
Measure W Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (concluded)

Interest earnings, if any, were allocated to the Fund in the 2021 fiscal year based upon the Fund's average cash balances and the proportionate interest earned by the Town on its pooled investments in the State of California Local Agency Investment Fund (LAIF) and the San Mateo County Treasurer Pool. See the Town's Basic Financial Statements for the disclosures related to cash and investments and the related custodial risk categorization.

NOTE 4 - CONTINGENCIES

Local Financial Assistance. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the San Mateo County Transportation Authority. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantors cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including California, declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to the Town's operations included new restrictions on employees' work location and planning heightened sanitation awareness requirements on office staff. It is anticipated that the impacts from this pandemic will continue for some time. As of the report date, the financial impact of the coronavirus outbreak cannot be measured.

NOTE 5 - ASSIGNED FUND BALANCE

The accompanying 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 fund balances of governmental funds now reflect the component classification of assigned fund balance.

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 assigned authority has been delegated by the Town Council.

NOTE 6 - SUBSEQUENT EVENTS

The Town's management has evaluated events and transactions subsequent to June 30, 2021 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued.

REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH AUDITING
STANDARDS GENERALLY ACCEPTED IN
THE UNITED STATES OF AMERICA

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

We have audited the Town of Colma's compliance with the agreement between the Town of Colma and San Mateo County Transportation Authority applicable to the Measure W Fund for the year ended June 30, 2021. Compliance with the requirements referred to above is the responsibility of Town of Colma's management. Our responsibility is to express an opinion on Town of Colma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the agreement between the Town of Colma and San Mateo County Transportation Authority. Those standards and agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the Measure W Fund. An audit includes examining, on test basis, evidence about Town of Colma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Town of Colma's compliance with those requirements.

Compliance

As part of obtaining reasonable assurance about whether Town of Colma Measure W Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including tests of Town of Colma's compliance with certain provisions of Measure W, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under U.S. generally accepted auditing standards.

This report is intended solely for the information of and use of the Town Council and management of Town of Colma, and the County of San Mateo Transportation Authority, and is not intended to be and should not be used by anyone other than these specified parties.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
October 6, 2021



R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED
TO APPROPRIATIONS LIMIT WORKSHEETS

Honorable Mayor and
Members of the Town Council
Town of Colma

We have applied the procedures enumerated below to the accompanying Appropriations Limit worksheet of the Town of Colma (the Town) for the year ended June 30, 2022. These procedures, which were agreed to by the Town (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*) were performed solely to assist the Town in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed appropriation limit worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Town Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Town Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit and total adjustments, and compared the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit worksheet to the other worksheets described in No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the Town Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

Honorable Mayor and
Members of the Town Council
Town of Colma - Page 2

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the Town of Colma and is not intended to be, and should not be, used by anyone other than the specified parties.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
September 9, 2021

Article XIII B Appropriation Limit Calculation

Prior Year Limit	\$ 54,582,281
Multiply by:	
State per capita personal income	1.057
Change in population	0.992 <u>1.049</u>
Total Appropriation Limit Fiscal Year 2021-2022	<u>\$ 57,274,771</u>





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: February 23, 2022
 SUBJECT: FY 2021-22 Mid-Year Financial Update & Budget Amendment

RECOMMENDATION

Staff recommends that the City Council make:

MOTION ACCEPTING THE FISCAL YEAR 2021-22 MID-YEAR FINANCIAL REPORT THROUGH DECEMBER 31, 2021 AND AUTHORIZING A COPY TO BE POSTED ON THE TOWN'S WEBSITE

EXECUTIVE SUMMARY

Mid-year financial reports serve as a communication tool on the financial health of the Town and offers early warnings of potential financial concerns. Especially during the COVID-19 pandemic, it is essential to understand whether the Town is operating within its revenue constraints and whether further spending reductions are needed because of the revenue constraints.

As of December 31, 2021, the Town received \$7.33 million, or 42% of budget, and spent \$8.58 million, or 48% of budget. Comparing to the burn rates in FY 2021-22 to those of the prior three fiscal years, the Town is financially healthy and should be able to meet its revenue projections and stay within budget by the end of the fiscal year.

FISCAL IMPACT

This report is for informational purposes only, and there is no fiscal impact.

BACKGROUND

Annually, a mid-year financial review is submitted to the City Council for consideration and discussion. The review consists of a summary of the Town's fiscal performance, fund availability, and departmental needs and accomplishments. The review also includes discussion on potential overages and the use of potential savings, in accordance with Colma Administrative Code 4.01.200.

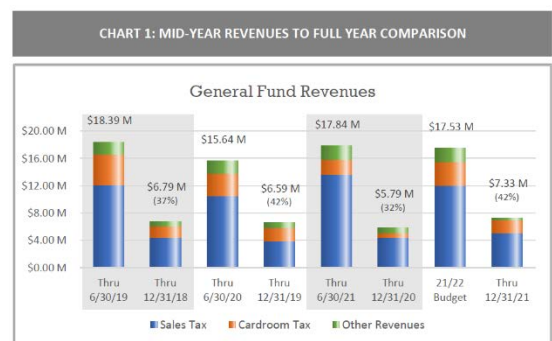
Attachment A shows financial trends and analysis for the Town's General Fund from FY 2018-19 through FY 2021-22. The FY 2018-19 financial summary was listed as a reference of Town operations through mid-year before the spread of COVID-19. The FY 2019-20 financial summary includes the first three months of the COVID-19 Shelter in Place order, which resulted in near

complete business closures and the dramatic fall of the US Stock Market. Beginning in FY 2020-21, COVID-19 safety protocols were gradually lifted, and businesses began reopening in a reduced capacity. Outdoor and virtual services helped the US economy to recover from the initial economy freefall.

With the continued oscillation of COVID-19 cases and hospitalizations, the Town's FY 2021-22 adopted budget reflected the continued financial impact of the COVID-19 pandemic. The FY 2021-22 Budget to Actual Analysis is used to understand the Town's ability to operate within the COVID-19 revenue constraints. Comparisons to FY 2018-19 is used to understand the Town's financial recovery since the start of the pandemic. FY 2018-19 was the last full year prior to the COVID-19 pandemic.

ANALYSIS

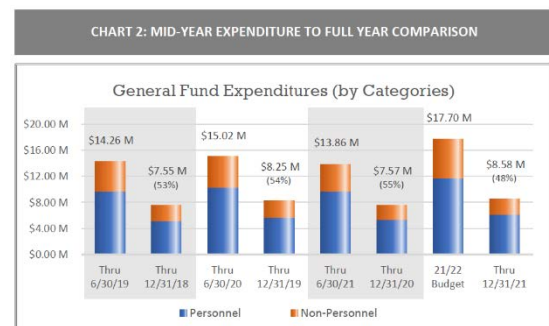
As shown in Chart 1 of Attachment A, General Fund revenues are performing strong, with 42% of its budgeted revenues have been received by December 31, 2021. Since the passage of AB147 in FY 2020-21, the Town received \$200,000 more in online sales tax distribution (also known as County Pool allocation or Use Tax Distribution) per quarter. Sales tax from auto sales and building & construction remained strong throughout the pandemic. Per HdL, the Town's sales tax consultant, the Town's sales tax revenues should restore to pre-pandemic numbers by June 30, 2022.



The Town has also seen a similar restoration of cardroom tax revenues when the Town's cardroom operation began offering outdoor options.

While General Fund revenues are on track to meet the total FY 2021-22 Budget of \$17.53 million, the budget is \$0.86 million less than FY 2018-19 actual of \$18.39 million. This signifies that the Town is cautiously optimistic that General Fund revenues will return to pre-pandemic levels in FY 2021-22 or FY 2022-23.

Chart 2 of Attachment A shows that the burn rate for General Fund expenditures is less than the prior three fiscal years. The largest category of expenditures in the General Fund is personnel cost, and personnel cost is considered as fixed cost as cost reduction in this category generally takes more than one year. The reason the Town incurred 48% of general fund expenditures by December 31, 2021 is largely due to vacant positions budgeted but not filled as of July 1, 2021. This results in salary savings.



The FY 2021-22 budgeted expenditures include contingency budgeting to allow the Town to quickly address unforeseen emergencies, such as a sink hole or needed feasibility studies. This is the reason for an increase of \$2.68 million to \$3.84 million in FY 2021-22 expenditure budget than the annual actual spending for the last three fiscal years. Lastly, the FY 2021-22 assumes

department operations to be at full capacity. To slow the spread of COVID-19 and its many variants, many Town services were offered in a reduced capacity.

Table 4 of Attachment A shows the total General Fund Reserves by reserves title and categories. The Town's total General Fund Reserves increased by \$3.53 million from June 30, 2020 to June 30, 2021. By 2021-22 mid-year, the General Fund Reserves reduced by \$1.34 million. Budget Stabilization reserve was increased by \$3.0 million per City Council's direction during the FY 2021-22 budget adoption. Transfers to accrued leave payout reserves, capital program, and sewer operations will be completed as part of the FY 2021-22 year-end process.

TABLE 4: GENERAL FUND RESERVES HISTORY			
GENERAL FUND RESERVES	Jun 30, 2020	Jun 30, 2021	Dec 31, 2021
COMMITTED RESERVES (12)			
BUDGET STABILIZATION	12,000,000	12,000,000	15,000,000
DEBT REDUCTION	600,000	600,000	600,000
ACCRUED LEAVE PAYOUT	715,000	605,670	605,670
COMMITTED RESERVES TOTAL	13,315,000	13,205,670	16,205,670
ASSIGNED RESERVES (11)			
LITIGATION	100,000	100,000	100,000
INSURANCE	100,000	100,000	100,000
DISASTER RESPONSE & RECOVER	750,000	750,000	750,000
ASSIGNED RESERVES TOTAL	950,000	950,000	950,000
UNASSIGNED RESERVE (11)	9,568,432	13,209,304	9,125,579
TOTAL GF RESERVES	23,833,432	27,358,974	26,281,249

DEPARTMENTAL ACCOMPLISHMENTS:

Under the pressure of the COVID-19 safety protocols, the Town was able to accomplish the following objectives by December 31, 2021.

- The City Manager's Office presented to the City Council on January 26, 2022 the FY 2021-22 Economic Development Work, which included contracting with Retail Coach to help fill vacant stores
- The Police Department secured contracts for body worn cameras and in-car cameras. The contract included Automatic License Plate Readers to help with crime prevention and investigation.
- Human Resources Department filled all full-time vacant positions and have filed and reported more than a dozen COVID-19 cases in accordance with COVID-19 safety reporting requirements.
- The Engineering Department completed the grant process for two major FY 2020-21 capital improvement projects, including a \$2.86 million project for the Mission Road Bicycle and Pedestrian project (903) and El Camino Real Bicycle and Pedestrian Plan (914).
- In conjunction with the Planning Department, Planning and Engineering also submitted several grant applications for the next phase of the El Camino Real Bicycle and Pedestrian project and for other roadway plans and improvement projects.
- The Planning Department has reached the final steps in the General Plan Update and will begin finalizing the report. Thereafter, the Department will begin updating the Housing Element and the Zoning Code to be consistent with the General Plan.
- The Recreation Department reopened its doors and began offering afterschool programs and other creative classes, programs, and events while complying with COVID-19 safety protocols.

Table 5 of Attachment A lists the 14 actively funded projects in FY 2021-22 and the spending during FY 2021-22. The last table, Table 6 includes a summary of the reserve balance for all funds.

Reasons For the Recommended Action/Findings

Acceptance of the report provides disclosure of current year revenue and expenditure trends.

Council Adopted Values

Periodic review of the Town's financial condition aligns with the City Council adopted *responsibility* value. It exemplifies financial accountability and ensures reasonable use of public funds. Additionally, publishing the accepted report on the Town's website promotes meaningful public involvement and thereby aligns with the City Council adopted *fairness* value.

CONCLUSION

Staff is requesting that the City Council receive and file the report.

ATTACHMENTS

- A. 2021-22 Mid-Year Financial Report



FY 2021-22 MID-YEAR FINANCIAL REPORT (JULY 1, 2021 – DECEMBER 31, 2021)

GENERAL FUND: BUDGET VS ACTUAL

Overall, the Town is financially healthy at mid-year. By December 31, 2021, the Town received \$7.33 million in General Fund revenues - with \$5.08 million in sales tax, \$1.84 million in cardroom tax and \$0.42 million in other general fund revenues. Total General Fund expenditure was \$8.58 million with a burn rate of 48%.

GENERAL FUND REVENUES

As shown in Chart 1 (right), the revenue run rate for General Fund is 42% of budget, which is similar to the prior three fiscal years. Additionally, the Town received 42% of its budgeted sales tax revenues and 52% of its cardroom tax by mid-year. These are good indicators the Town will reach our General Fund revenue projections by the end of the fiscal year; absent another unforeseen interruption to the economy.

GENERAL FUND EXPENDITURES

General Fund Expenditures are shown by Categories (Chart 2) and by Departments (Chart 3).

In Chart 2, personnel expenditures totaled \$6.09 million, or 52% of budget. The typical burn rate for personnel cost by mid-year is between 50% and 60%, because of lump-sum payments made towards unfunded pension liabilities in July of each fiscal year. Non-personnel expenditures of \$2.49 million, or 42% of budget, is reasonable as well, since the budget for non-personnel includes special projects slated for the second half of the fiscal year and contingency budget to address unforeseen emergencies.

Comparing expenditure trends by department (Chart 3), General Government and Public Safety spending rate is consistent with prior years, at 54% and 51%, respectively. General Government includes insurance payments (\$784,000) in the beginning of the fiscal year, and therefore the burn rate will generally be higher than 50% by mid-year. Public Works & Planning and Recreation are both trending at 35% and 31% respectively. This is typical of Public Works & Planning as majority of their budget is non-personnel. Recreation operations continue to be impacted by the COVID-19 pandemic, and full operation has not been restored in the first half of the year.

GENERAL FUND RESERVES

Total General Fund reserves as of December 31, 2021 is \$26.3 million. This includes increasing the Budget Stabilization reserve by \$3.0 million and budgeted transfer of \$105,000 to the Accrued Leave Payout reserve. General Fund transfers to the Capital program (\$532,000) and to the sewer operation (\$238,000) will be completed as part of the year-end process.

CHART 1: MID-YEAR REVENUES TO FULL YEAR COMPARISON

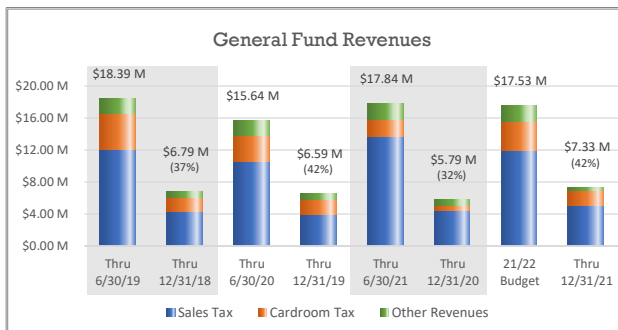


CHART 2: MID-YEAR EXPENDITURE TO FULL YEAR COMPARISON

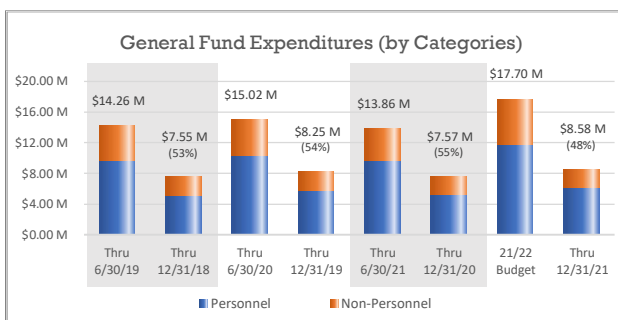


CHART 3: MID-YEAR EXPENDITURE TO FULL YEAR COMPARISON

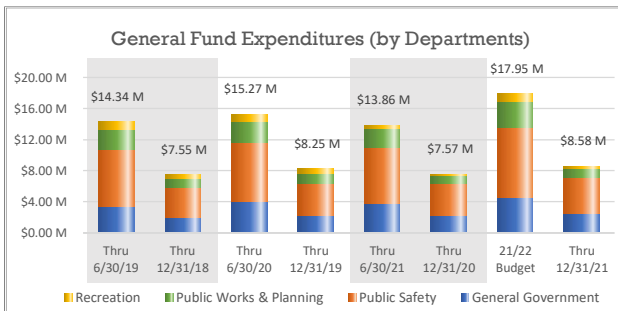


TABLE 4: GENERAL FUND RESERVES HISTORY

GENERAL FUND RESERVES	Jun 30, 2020	Jun 30, 2021	Dec 31, 2021
COMMITTED RESERVES (12)			
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DEBT REDUCTION	600,000	600,000	600,000
ACCRUED LEAVE PAYOUT	715,000	605,670	605,670
COMMITTED RESERVES TOTAL	13,315,000	13,205,670	16,205,670
ASSIGNED RESERVES (11)			
LITIGATION	100,000	100,000	100,000
INSURANCE	100,000	100,000	100,000
DISASTER RESPONSE & RECOVER	750,000	750,000	750,000
ASSIGNED RESERVES TOTAL	950,000	950,000	950,000
UNASSIGNED RESERVE (11)	9,568,432	13,203,304	9,125,579
TOTAL GF RESERVES	23,833,432	27,358,974	26,281,249

CAPITAL PROGRAM

The Capital Program is the next largest expenditure category for the Town. For FY 2021-22, the Town has 14 actively funded projects, with a total available project budget of \$1.21 million. Of the 14 projects, six projects are in the design phase and the project budget may increase when they enter the construction phase. There are three long-term plans, with the General Plan Update near completion. The Financial Software Replacement is on hold at this time and will begin the needs assessment phase in mid-2022.

As for the Mission Road project, the roadway repair phase is completed. The next phase is the landscape enhancements and proposed crosswalk replacement, and the cost will be tracked separately as Project No 908 and 909, respectively.

TABLE 5: FY 21/22 CAPITAL PROGRAM SUMMARY

Project	Phases	Available		
		Project Budget	Project Spending	% of Budget
ANNUAL ROADWAY REHAB.	Const	150,000	0	0%
F-STREET RETAINING WALL	Design	36,590	7,652	21%
MISSION RD BIKE & PED IMPR	Compl	1,569	1,569	100%
MISSION ROAD LANDSCAPING	Design	29,000	0	0%
MISSION ROAD CROSSWALK	Design	11,000	0	0%
COLMA MUSEUM FAC. REPR	Design	75,000	0	0%
FACILITY PARKING LOT	Design	99,025	0	0%
GENERAL PLAN UPDATE	Plan	58,165	6,677	11%
HOUSING ELEMENT UPDATE	Plan	98,746	18,727	19%
ZONING CODE UPDATE	Plan	100,000	0	0%
EQUIPMENT PURCHASE & REPL.				
CHAMBER AV SYSTEM	Design	32,339	0	0%
PD IN-CAR AND BODY CAM.	Impl	201,000	70,415	35%
FINANCIAL SOFTWARE REPL.	Hold	100,000	0	0%
IT INFRASTRUCTURE (21/22)	Ongoing	50,000	22,410	45%
VEHICLE REPLACEMENT (21/22)	Ongoing	164,000	94,787	58%
CAPITAL PROGRAM TOTAL		1,206,434	222,235	18%

TABLE 6: FUND BALANCE SUMMARY FOR ALL FUNDS

FUND TITLE		Fund	AUDITED Fund Balance @ 7/1/21	Revenues YTD 12/31/21	Expenditures YTD 12/31/21	Net Transfers In/(Out)	Net Change in Fund Balance	Fund Balance @ 12/31/21
GENERAL FUND	GENERAL FUND	11						
	LITIGATION RESERVE		100,000	0	0	0	0	100,000
	INSURANCE RESERVE		100,000	0	0	0	0	100,000
	DISASTER RESERVE		750,000	0	0	0	0	750,000
	UNASSIGNED	13,203,304	7,510,583	(8,502,276)	(3,086,032)	(4,077,725)	9,125,579	
	UNASSIGNED	19	(110,008)	(178,100)	(81,699)	0	(259,799)	(369,807)
	GENERAL FUND RESERVE	12	0			0	0	
	BUDGET STABILIZATION		12,000,000	0	0	3,000,000	3,000,000	15,000,000
	DEBT REDUCTION		600,000	0	0	0	0	600,000
	ACCRUED LEAVE PAYOUT RESERVE		605,670	0	0	0	0	605,670
GENERAL FUND TOTAL		27,248,966	7,332,483	(8,583,975)	(86,032)	(1,337,524)	25,911,442	
SPECIAL FUNDS	GAS TAX	21	83,615	35,313	(9,281)	0	26,032	109,647
	MEASURE A	22	80,376	33,600	0	0	33,600	113,976
	HOUSING IMPACT FEES	25	278,563	77	0	0	77	278,640
	MEASURE W	26	61,371	8,622	0	0	8,622	69,993
	PUBLIC SAFETY GRANTS	27	6,315	0	0	0	0	6,315
	COPS GRANT	29	78,588	107,013	(110,602)	0	(3,589)	74,999
	SPECIAL FUNDS TOTAL		588,828	184,624	(119,882)	0	64,742	653,570
	CAPITAL	CAPITAL IMPROVEMENT	31	1,572,253	(92,024)	(118,228)	2	(210,250)
STREET CAPITAL		32	854,019	59,208	(9,220)	(2)	49,986	904,005
CAPITAL FUNDS TOTAL			2,426,272	(32,815)	(127,448)	0	(160,264)	2,266,008
DEBT	COP DEBT SERVICE	43	(806)	0	(86,034)	86,032	(2)	(808)
	DEBT FUND TOTAL		(806)	0	(86,034)	86,032	(2)	(808)
ISF	VEHICLE / FLEET REPLACEMENT ISF	61	740,887	205	(94,787)	0	(94,582)	646,305
	INTERNAL SERVICE FUND (ISF) TOTAL		740,887	205	(94,787)	0	(94,582)	646,305
ENTERPRISE	SEWER OPERATING	81	6,203	379,115	(814,221)	0	(435,106)	(428,903)
	SEWER CAPITAL	82	0	0	0	0	0	0
	CITY PROPERTIES	83	231,323	80,974	(72,455)	0	8,519	239,842
	ENTERPRISE FUND TOTAL		237,526	460,089	(886,676)	0	(426,587)	(189,061)
TOTAL FOR ALL FUNDS (NON TRUST)			31,241,673	7,944,585	(9,898,803)	0	(1,954,218)	29,287,455
TRUST	OPEB TRUST	71	5,712,224	639,820	(524,931)	0	114,889	5,827,113
	RETIREMENT TRUST	72	1,930,267	502,631	(5,268)	0	497,364	2,427,631
	TRUST FUNDS TOTAL		7,642,491	1,142,451	(530,198)	0	612,252	8,254,743
TOTAL FOR ALL FUNDS (NON TRUST)			38,884,164	9,087,036	(10,429,002)	0	(1,341,966)	37,542,198

ADDITIONAL DETAILS AND INFORMATION

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



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Farhad Mortazavi APA, City Planner
 Laurel Mathews, Associate Planner
 VIA: Brian Dossey, City Manager
 DATE: February 23, 2022
 SUBJECT: Public Art in Colma

RECOMMENDATION

Staff recommends that the Council consider the presentation and provide feedback on the proposal for a public art program in Colma.

EXECUTIVE SUMMARY

The purpose of this study session is to present a proposal for what a public art program could look like in Colma, based on the feedback received during the previous Public Art Study Session in October 2021.

BACKGROUND

The Town of Colma Strategic Plan for 2020-2022 includes an objective of developing a public art and wayfaring program, in the interest of building upon our community identity and maintaining quality of life. On October 13, 2021 the Planning Department presented a public art study session to the City Council in order to gauge interest in implementing public art in Colma in Fiscal Year 2022 – 2023.

At the October Council meeting, the Council expressed tentative interest in pursuing such a program and provided feedback to staff on their priorities and concerns for a public art program in Colma. The Planning Department built a public art program proposal based on that feedback.

This staff report summarizes the Planning Department's proposal for what a public art program could look like in Colma over the next two years. The purpose of this report is not to make a recommendation, but instead to present available options to support City Council in their decision as to whether and how to institute a public art program.

PROPOSAL

What we heard: Start small; Create a foundation for larger projects in future years.

Proposed program objectives:

1. Commission 2-4 pieces of small public art in FY 2022-2023. Choose designs that are decorative and that depict uncontroversial subjects.

For example, the Town could:

Paint or vinyl-wrap two utility cabinets

Utility cabinets are a popular site for small-scale public art. In Redwood City, the artist fee for painting a utility cabinet is \$500 and the cost of UV-resistant coating can cost up to \$1,000. Some potential starter sites for art on utility cabinets include Junipero Serra Blvd (near Serra Center) and at Colma Blvd and Junipero Serra Blvd (near 280 Metro Center). Some jurisdictions order vinyl wraps rather than painting directly on the utility cabinet, though that increases the project cost.

Paint on bike rack

Bike racks can be detached from their location and shipped or driven to an artist to paint and return. Great candidates for this treatment could include the bike racks at city hall and/or the bike rack at the Colma Community Center and Historical Museum.

Install one micro-sculpture

The Town could commission a micro-sculpture. These sculptures can be installed on light poles, on benches, near bus stops, or on fences. Several potential locations where such a sculpture may be installed include the base of the stairs near Sweet Dreams Bakery, on the fence at the Sterling Park Dog Park, the highly visible streetlight pole near Vivana Fair, or one of the shopping centers (if the owner expresses interest).

Alternative types of small public art include micro-murals, light installations, and painted bollards.

2. Create standards, document templates, and processes in FY 2022-2023 that can be re-used and improved upon in later years.

The call for artists, project plan, materials statement, maintenance plan, and contract for each piece of small art should be easily adaptable for use in later and potentially larger projects. Budget and attention should be allocated for program set-up, staff time and administration, and City Attorney review.

What we heard: Funding is a concern, but there are several options that Colma could pursue for a funding ordinance, including private sponsorship, fundraising, and a percent-for-the-arts ordinance.

Proposal for funding:

1. Set up a program that allows individuals and businesses to sponsor a piece of art; make it flexible so that in the future we can use this system to allow sponsorships of events.

In the past, the Town has received sponsorships from businesses for events such as the Halloween trunk-or-treat event and the Colma Police Department's National Night Out event. However, each sponsorship is currently processed as a one-off donation.

In FY 2022-2023, the town could work with the Finance Department and the City Attorney to create a more structured way for private donors to sponsor public art processes and events.

2. Set a fundraising minimum goal for each city council member during FY2022-2023.

At the October 13, 2021 City Council meeting, Council proposed the idea of setting a fundraising goal for each member to raise private funding for public art projects.

3. Pass a "percent-for-the-arts" policy that contributes a share of the surplus each year to Public Art.

Over the last 5+ years (excluding FY19-20 – Covid 19), Colma has ended with a budget surplus each year. The General Fund reserves have grown on average \$1.2 million per year. Currently, a small share of that surplus goes toward Capital Improvement Projects (CIP). In the same way that a share of the surplus is currently directed to CIP, the Town could adopt a policy to contribute a share of each year's budget surplus toward public art. There could be a provision in this policy stipulating that Council gets final veto power in case there is a compelling reason to redirect this surplus funding away from public art and toward another Town project or program.

Proposal for decision-making and public input:

1. Use a streamlined public input process for small art. Allow staff to make a recommendation to Council about which design should be chosen.

For small scale public arts, notify businesses and property-owners directly adjacent to a specific location that a piece of art is being considered. Allow the public to comment at a public hearing where the design is selected, but bypass the more in-depth public engagement process that may be warranted for larger public arts.

From all designs submitted, staff should select the most appropriate designs and make a recommendation to City Council. Council may either accept this recommendation or vote on a different submitted design.

2. In the program's second or third year, staff could create an ad hoc committee to guide the development of a Colma mural.

Commissioning a mural requires more effort from more people than small public art projects. When the town is ready to consider moving from smaller art works to larger projects (i.e. mural), an committee can be formed of interested local stakeholders, staff, and 1-2 City Council members.

This committee can organize and facilitate community meetings, distribute the workload of researching and interviewing artists, and ensure that the project plan is being followed in the mural's development.

Proposed Timeline:

Spring 2022:

- Provide input to staff on the public art program proposal.
- Allocate public art program start-up funding in the FY2022-2023 budget.

Summer 2022:

- Pass a percent-for-the-arts policy which allocates funding from the Town's budget surplus for public art.
- Draft a project plan and call for proposals for one to two small art projects.

Fall 2022:

- Set up fund-raising program: Council fundraising targets + private sponsorship program.
- Distribute call for proposals for one to two art projects.
- Select designs for proposed art projects (projects 1 & 2).

Winter 2023:

- Install selected art projects.
- Draft project plan and call for proposals for additional small art projects (projects 3 & 4)
- Distribute call for proposals for art projects 3 and 4.
- Select designs for art projects 3 and 4.

Spring 2023:

- Evaluate FY 2022-2023 program against targets and plan for FY 2023-2024.
- Install art projects 3 and 4.

Council Adopted Values

Public Art supports the Council-adopted value of ***Community***, since it can build upon the Town's identity and maintain quality of life.

ENVIRONMENTAL

The City Council's action in engaging in this study session is not a project subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15301 as it can be seen with certainty that a general discussion and general direction on future public art programs will not create any potentially significant impact on the environment. Further, in most cases, a mural consists of exterior alterations to an existing public facility with negligible or no expansion of use. Therefore, a mural project is likely to be exempt from the provisions of CEQA, pursuant to Article 19, 15301(a) of California CEQA Guidelines. It could also be exempt under CEQA Guideline 15303 as new construction of limited small structures within the Town.

CONCLUSION

The City Council is encouraged to participate in the presentation by providing comments and direction to staff and the consultant team on the proposal for a public art program in Colma.





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Christopher J. Diaz, City Attorney
 VIA: Brian Dossey, City Manager
 MEETING DATE: February 23, 2022
 SUBJECT: Presentation on New Laws in 2022

RECOMMENDATION

Staff recommends that the City Council receive a presentation on new laws in 2022. No formal action is required.

EXECUTIVE SUMMARY AND ANALYSIS

As the City Council is well aware, the State Legislature is busy every legislative season introducing and adopting new laws that impact all governmental agencies in California, including the Town of Colma. In an effort to provide a broad overview of some of the new laws impacting public agencies, the City Attorney's Office will be providing a presentation detailing some of the new laws in effect in 2022.

FISCAL IMPACT

The receipt of a presentation will not impact the Town financially. However, a variety of the new laws may require some action on the part of the Town which could cause a financial impact in terms of staff time, City Attorney time, and general cost for overall legal compliance.

ENVIRONMENTAL

The action of the City Council in receiving the presentation is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15061(b)(3) as it can be seen with certainty that the action will not cause any potentially significant impact on the environment

Council Adopted Values

The City Council's action in receiving the presentation is *responsible* and *fair* as it ensures the City Council is aware of the new laws and that the public also has a fair opportunity to hear about new laws impacting cities and towns similar to the Town of Colma.

CONCLUSION

The City Council should receive the presentation.