

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

FINANCIAL STATEMENTS

JUNE 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Financial Statements:	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balance	4
Notes to Fund Financial Statements	5-6
Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Auditing Standards Generally Accepted in the United States of America	7

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