

TOWN OF COLMA
COLMA, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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Town of Colma
List of Elected Officials, Appointed Officials & Contract Service Providers
as of June 30, 2020

Elected City Officials

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

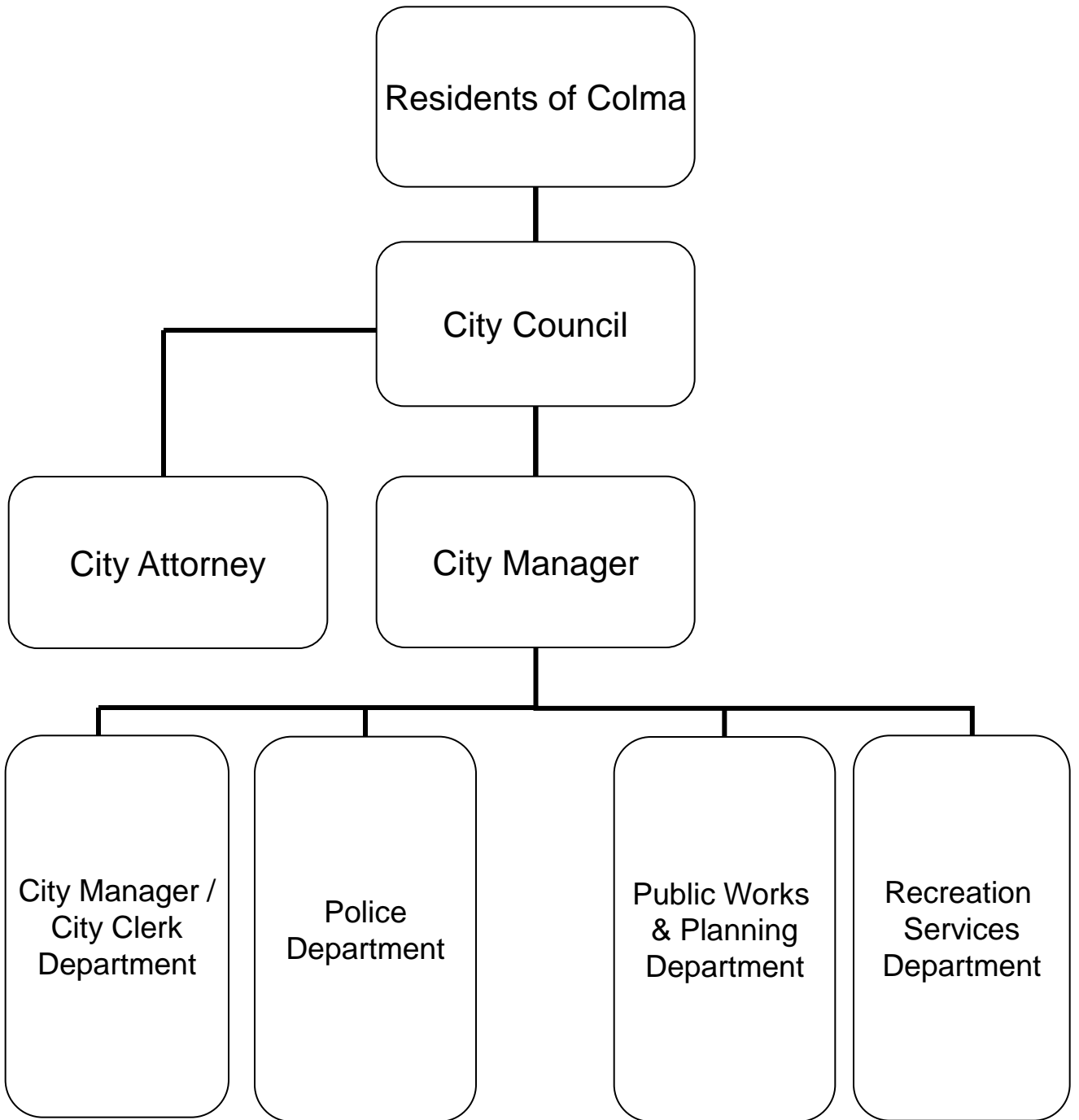
Appointed City Officials

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

Other Key City Services Under Contract

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

Town of Colma



INDEPENDENT AUDITORS' REPORT

Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2020, and the related notes to the financial statements, which collectively comprise the Town of Colma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Town of Colma's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colma's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Colma, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and the Budgetary Comparison Schedule for the General Fund, Local Government's Proportionate Share of Net Pension Liability, and Schedules of Contributions (page 45-51) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Town of Colma's basic financial statements. The Supplementary Information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, listed as Combining and Individual Fund Schedules, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
January 29, 2021

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

The following discussion provides readers of Town of Colma's basic financial statements a narrative overview and analysis of the financial activities of Town of Colma (the Town) for the fiscal year ended June 30, 2020. Please read this document in conjunction with the accompanying basic financial statements.

FISCAL YEAR 2020 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2020 include the following:

Entity-wide:

- The Town's total net position was \$71,536,573 as of June 30, 2020, \$68,971,745 in Governmental Activities and \$2,564,828 in Business-Type Activities.
- Entity-wide revenues for Business-Type Activities was \$1,146,333 and for Governmental Activities was \$16,586,716, which includes program revenues of \$966,454 and general revenues of \$15,620,262.
- Entity-wide expenses for Governmental and Business-Type Activities were \$15,636,724 and \$1,107,135, respectively.

Fund Level:

- Governmental Fund balances increased \$5,970,087 in fiscal year 2020 due to the Town's 115 Pension Trust Assets being reported in the Town's General Fund.
- Governmental Fund revenues decreased \$2,388,330 in fiscal year 2020 due to reduction in tax revenues resulted from the Shelter-in-Place orders to slow the spread of COVID-19.
- Governmental Fund expenditures decreased \$7,047,675 in fiscal year 2020 due to completion of the construction phase of the Town Hall Campus Renovation project in FY 2018-19.

General Fund:

- General Fund revenues were \$2,489,980 lower than the prior year due to reduction in sales tax and cardroom tax revenues resulted from the Shelter-in-Place orders to slow the spread of COVID-19. The first Shelter-in-Place order took effect on March 17, 2020 leading to the immediate shutdown of cardroom, auto, and restaurants in Town.
- General Fund expenditures represented a decrease of \$2,220,505 from the prior year to offset the reduction in tax revenues. When COVID-19 spread to San Mateo County, the Town immediately frozen the filling of vacant position, deferred maintenance, and reduced contribution to the Town's 115 Trust for unfunded OPEB Liabilities.
- General Fund's fund balance of \$30,374,400 as of June 30, 2020, was \$5,192,122 greater than fiscal year 2019's ending fund balance of \$25,182,278, due to the consolidation of the Town's 115 Trusts into General Fund.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is divided into two parts:

- 1) Management's Discussion and Analysis (MD&A);
- 2) The Basic Financial Statements, which include the Entity-wide and the Fund Financial Statements, along with the Notes to these financial statements.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

The Basic Financial Statements

The Basic Financial Statements comprise the Entity-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Town's financial activities and financial position.

The Entity-wide Financial Statements provide a longer-term view of the Town's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities.

The Statement of Net Position provides information about the financial position of the Town as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

The Statement of Activities provides information about all of the Town's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the Town's operations in more detail than the Entity-wide statements and focus primarily on the short-term activities of the Town's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the Town and are presented individually, while the activities of Non-major Funds are presented in summary. Major Funds are explained further in the following section below.

The Entity-wide Financial Statements

Entity-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Town as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental Activities – All of the Town's basic services are considered to be governmental activities. These services are supported by general Town revenues such as taxes, and by specific program revenues such as user fees and charges.
- Business-type Activities – The Town's enterprise activities of the Town Properties Fund and the Sewer Fund are reported in this area. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

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

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

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-

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020

year as a result of changes in the pattern of the Town's activities. In accordance with government finance reporting standards, the General Fund is always reported as a Major Fund. Based on these standards the Town Hall COP Project Fund is also a Major Fund for the year ended June 30, 2020. Each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major Funds (Measure A Transportation Tax Fund; State Gas Tax Fund; Law Enforcement Grant Fund; Debt Service Fund and five others).

Proprietary 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.

FINANCIAL ACTIVITIES OF THE TOWN AS A WHOLE

This analysis focuses on the net position and changes in net position of the Town as a whole. Tables 1 and 2 focus on the Town's Statement of Net Position and Statement of Activities.

As shown below, the net position for governmental activities:

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

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|-------------------------|-----------------|--------------------------|----------------|--------------------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 36.68 | \$ 30.87 | \$ 0.14 | \$ 0.12 | \$ 36.82 | \$ 30.99 |
| Capital assets, net of accumulated depreciation | 58.14 | 58.00 | 2.42 | 2.42 | 60.56 | 60.42 |
| Total assets | 94.82 | 88.87 | 2.56 | 2.54 | 97.38 | 91.41 |
| Deferred outflows | 6.30 | 6.84 | — | — | 6.35 | 6.84 |
| Current liabilities | 1.18 | 1.45 | 0.01 | 0.01 | 1.18 | 1.46 |
| Long-term liabilities | 28.53 | 29.35 | — | — | 28.53 | 29.35 |
| Total liabilities | 29.71 | 30.80 | 0.01 | 0.01 | 29.71 | 30.81 |
| Deferred inflows | 2.44 | 2.06 | — | — | 2.49 | 2.06 |
| Net position: | | | | | | |
| Invested in capital assets, net of debt | 53.47 | 53.21 | 2.42 | 2.43 | 55.89 | 55.64 |
| Restricted | 6.54 | — | — | — | 6.54 | — |
| Unrestricted | 8.96 | 9.64 | 0.14 | 0.10 | 9.10 | 9.74 |
| Total net position | \$ 68.97 | \$ 62.85 | \$ 2.56 | \$ 2.53 | \$ 71.53 | \$ 65.38 |

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020

Table 2

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

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|------------------------------------|----------------------------|-------------------------|-----------------------------|-----------------------|-----------------------------|-------------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 0.47 | \$ 0.39 | \$ 1.04 | \$ 1.02 | \$ 1.51 | \$ 1.41 |
| Operating grants and contributions | 0.24 | 0.24 | - | - | 0.24 | 0.24 |
| Capital grants and contributions | 0.26 | 0.44 | - | - | 0.26 | 0.44 |
| Total program revenues | <u>0.97</u> | <u>1.07</u> | <u>1.04</u> | <u>1.02</u> | <u>2.01</u> | <u>2.09</u> |
| General revenues: | | | | | | |
| Taxes | 14.66 | 17.36 | - | - | 14.66 | 17.36 |
| Other revenues | 0.84 | 0.02 | 0.09 | - | 0.93 | 0.02 |
| Use of money and property | 0.11 | 0.68 | - | - | 0.11 | 0.68 |
| Total general revenues | <u>15.61</u> | <u>18.06</u> | <u>0.09</u> | <u>-</u> | <u>15.70</u> | <u>18.06</u> |
| Total revenues | <u>16.58</u> | <u>19.13</u> | <u>1.13</u> | <u>1.02</u> | <u>17.71</u> | <u>20.15</u> |
| Expenses: | | | | | | |
| General government | 3.80 | 4.74 | 0.15 | - | 3.95 | 4.74 |
| Public safety | 7.17 | 7.71 | 0.95 | - | 8.12 | 7.71 |
| Public works | 3.04 | 5.67 | - | 1.09 | 3.04 | 6.76 |
| Planning | 0.42 | 0.32 | - | - | 0.42 | 0.32 |
| Recreation | 1.02 | 1.25 | - | - | 1.02 | 1.25 |
| Interest | 0.18 | 0.18 | - | - | 0.18 | 0.18 |
| Total expenses | <u>15.63</u> | <u>19.87</u> | <u>1.10</u> | <u>1.09</u> | <u>16.73</u> | <u>20.96</u> |
| Other financing items: | | | | | | |
| Net transfers in/(out) | - | (0.19) | - | 0.19 | - | - |
| Total other financing items | <u>-</u> | <u>(0.19)</u> | <u>-</u> | <u>0.19</u> | <u>-</u> | <u>-</u> |
| Change in net position | <u>\$ 0.95</u> | <u>\$ (0.93)</u> | <u>\$ 0.03</u> | <u>\$ 0.12</u> | <u>\$ 0.98</u> | <u>\$ (0.81)</u> |

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

ENTITY-WIDE GOVERNMENTAL ACTIVITIES

As of June 30, 2020, the Town's governmental net position amounted to \$68,971,745, an increase of \$6,114,555 from 2019. The main contributor of the increase is resulted from the consolidation of the Town's 115 Trust into the General Fund, in accordance with accounting standards.

Statement of Net Position (Table 1)

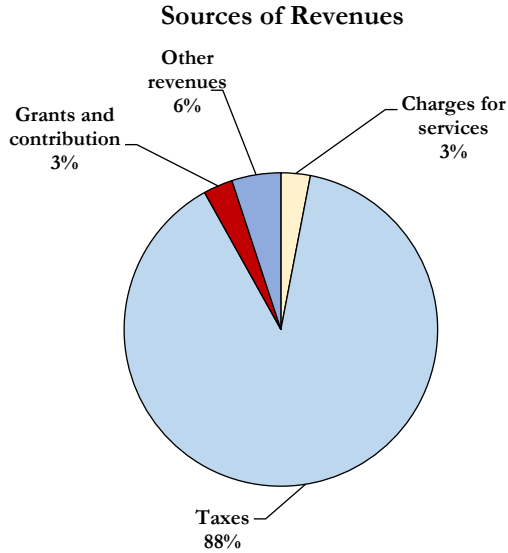
The Town's total net position as of June 30, 2020 for governmental activities are comprised the following:

- Cash and investments were \$28,416,160. The Town held all investments in the county (SMCIF) and state (LAIF) pools as detailed in Note 4A to the financial statements. Section 115 Trust assets were \$6,491,008.
- Other assets of \$1,777,441 comprise of \$1,727,481 in receivables, explained in Note 4B to the financial statements, and \$49,960 in prepaid items.
- Capital assets of \$58,135,830, 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 \$1,176,324.
- Long-term liabilities payable of \$28,553,118, 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 \$53,465,830, 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 \$8,964,947 of unrestricted net position.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020

Changes in Net Position (Table 2)

For fiscal year 2019-20, the Town's revenues for governmental activities totaled \$16,586,716 and expenditures totaled \$15,636,724. The Town also subsidized the sewer operations with a transfer of \$98,253.



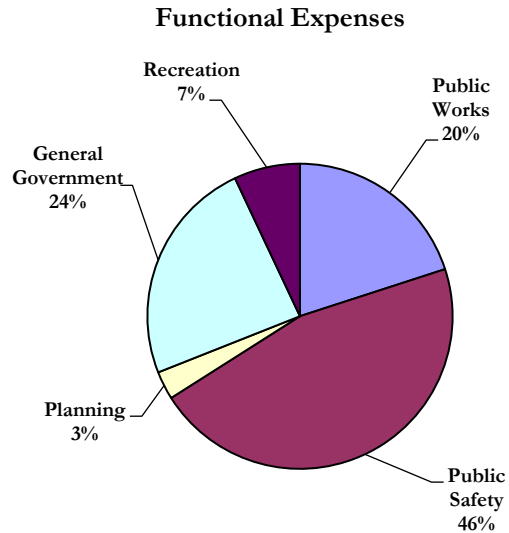
As the Sources of Revenues Chart shows, \$14,660,671, or 88%, of the Town's fiscal year 2020 governmental activities revenue came from taxes, while \$495,746, or 3%, came from grants and contributions, \$470,708, or 3%, came from charges for services, \$843,875, or 6%, came from other revenues and transfers, with the remaining 1% coming from the use of money/property.

Program revenues (see Table 2 above) totaled \$966,454, or 6%, of the Town's fiscal year ending 2020 governmental revenue and \$16,586,716, or 94%, came from general revenues such as taxes, interest and miscellaneous receipts. Program revenues were composed of charges for services of \$470,708 which include permit revenues, fees and charges used to fund expenses incurred in providing services; and grants and contributions of \$495,746, which consists mainly of revenue from other agencies.

The Functional Expenses Chart includes only current year expenses; it does not include capital outlays, which were added to the Town's capital assets. As the Chart shows, general government is \$3,803,188, or 24%, of total government expenses, planning is \$414,973, or 3%, public works is \$3,044,965, or 20%, public safety is \$7,173,372, or 46%, and recreation is \$1,021,257, or 7%.

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

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.



Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

ENTITY-WIDE BUSINESS-TYPE ACTIVITIES

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

Statement of Net Position (Table 1)

As of June 30, 2020, the net position for business-type activities was \$2,564,828 and were comprised of the following:

- Cash and investments were \$124,686. More information is provided in Note 4A to the financial statements.
- Other assets of \$20,524 are explained in Note 4B to the financial statements.
- Capital assets of \$2,421,545 included all the Town's capital assets used in business-type activities as discussed in Note 4C.
- Current liabilities totaled \$1,927.
- Unrestricted net position of \$143,283 are reserved for future enterprise operating and maintenance cost.

Change in Net Position (Table 2)

- Total program revenues of \$1,041,297 comprised of \$850,366 in sewer fees, which is passed through to the City of Daly City and South San Francisco for sewer treatment cost, and \$190,931 in rental revenues from Creekside Villas and 1365 Mission Road properties.
- Total expenses of \$1,107,135 comprised of \$948,619 in sewer operation and \$158,516 in town properties management. Of the \$948,619 in sewer expenses, \$919,590 is related to sewer treatment and the rest in infrastructure maintenance.

ANALYSES OF MAJOR FUNDS

Governmental Funds

The focus of the governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For fiscal year 2019-20, the Town's major funds included the general fund and capital improvement fund. Special revenues, debt, and street capital funds are reported as Other Governmental Funds.

GENERAL FUND:

At June 30, 2020, the Town's general funds reported combined ending balances of \$30,374,400, an increase of \$5,192,122 due to the change in reporting requirement as it is related to the Town's 115 Trusts. General Fund revenues of \$15,904,635 experienced a decrease of \$2,489,980 this fiscal year as it is related to the fiscal impact of COVID-19 Shelter-in-Place orders.

Overall, general fund expenditures of \$14,165,992 decreased by \$2,220,505 from the prior year reflects the Town's response to the COVID-19 pandemic and the resulted fiscal impact.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

CAPITAL IMPROVEMENT FUND:

As of June 30, 2020, the Fund had a balance of \$2,157,961. During the year, \$588,030 in expenditures were accounted for in the fund. The fund received transfers from the General Fund totaling \$1,272,000.

OTHER GOVERNMENTAL FUNDS:

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

Proprietary Funds

Town Properties Fund: As of June 30, 2020, the Fund had a balance of \$2,334,555.

Sewer Fund: As of June 30, 2020, the Fund had a balance of \$230,273.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

ORIGINAL BUDGET COMPARED TO FINAL BUDGET

The Town's original and final budget are the same. Due to the uncertainty of COVID-19 and the resulting fiscal impact, the Town completed quarterly projection without adjusting the budget.

FINAL BUDGET COMPARED TO ACTUAL

Overall, general fund revenues was \$1,896,197 under budget. The primary reason is linked to the COVID-19 pandemic and the County and State's response to slow the spread through curfews and Shelter-in-Place (SIP) orders. The SIP orders immediately closed the doors of local cardroom, auto dealerships, and restaurants. While auto dealerships and restaurants were able to open with modifications, the Town's cardroom remained closed through June 2020 and into fiscal year 2020-21. The result of the temporary closure of the cardroom equates to \$300,000 to \$350,000 of lost tax revenues per month. Sales tax was impacted as auto sales declined dramatically in the first two months of SIP order and many restaurants remained closed through June 2020.

In response to the lost revenues, the Town identified expenditure reduction strategy to limit the use of General Fund reserves. The expenditure reduction strategy included deferred hiring of two vacant positions, deferred maintenance and minor improvements, reduced OPEB contributions into PARS 115 Trust, and cancelled non-essential services such as recreation programs and finance consultant services. The expenditure reduction strategy resulted in a budget savings of \$2,805,524.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020

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 2020, 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 2020 the cost of infrastructure and other capital assets recorded on the Town's financial statements is shown in Table 3 below:

Table 3
Capital Assets at Year-end

| | Balance at June 30, 2020 |
|--|-----------------------------|
| <u>Governmental Activities</u> | |
| Land | \$ 6,589,376 |
| Construction in progress | 1,464,398 |
| Infrastructure-street systems | 26,364,634 |
| Buildings | 34,554,590 |
| Improvements other than buildings | 3,784,093 |
| Machinery and equipment | 3,116,867 |
| Less: accumulated depreciation | (17,738,128) |
| Governmental activity capital assets, net | \$ 58,135,830 |
| <u>Business-type Activities</u> | |
| Land | \$ 1,006,095 |
| Infrastructure | 380,910 |
| Buildings | 2,615,156 |
| Less: accumulated depreciation | (1,580,616) |
| Business-type activity capital assets, net | \$ 2,421,545 |

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, 2020, the Town's debt issues comprised:

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Table 4
Outstanding Debt

| | <u>June 30, 2020</u> |
|--|----------------------|
| <u>Governmental Activity Debt:</u> | |
| Certificates of Participation | \$ 4,670,000 |
| Net Other Post-Employment Benefit Obligation | 12,704,842 |
| Net Pension Liability | 10,094,682 |
| Compensated absences | <u>1,359,277</u> |
| Total | <u>\$ 28,828,801</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Colma is the smallest municipality in San Mateo County with 1,729 residents. The two most significant sources of annual revenue are retail sales tax and cardroom taxes. These two sources of revenue accounted for approximately 92% of the total revenue in government funds in the year ending June 30, 2020. The reliance on sales and cardroom taxes makes the Town of Colma vulnerable to changes in consumer spending. The Town is closely monitoring sales tax trends and rely on an audit firm to review cardroom receipts.

For the upcoming year, staying fiscally sound through the COVID-19 pandemic is the primary focus for the Town. Comparing fiscal year 2020-21 sales tax and cardroom tax revenues projections to actual receipts in fiscal year 2019-20, Colma is projecting sales tax revenues to be the same and cardroom tax revenues to reduce by \$2.2 million. To address the shortfall in revenues, the Town continued the deficit strategies proposed to address the deficit in fiscal year 2019-20, including deferring maintenance and major capital purchases, halting recruitment of vacant positions, and providing only bare minimum essential services. While deploying the deficit strategies, Town departments are closely monitoring the viability of the strategy. Deferring spending can lead to more costly repairs in the future, depending on the condition of the operation and the capital infrastructure. For example, prolong understaffing of a department can lead to excessive turnover in future years and deferred capital purchase can lead to more expensive future repair costs.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of Town of Colma's finances. Questions about this report should be directed to Town of Colma, at 1198 El Camino Real, Colma, CA 94014.

Town of Colma
STATEMENT OF NET POSITION
June 30, 2020

| <u>ASSETS</u> | <u>Governmental</u> <u>Activities</u> | <u>Business Type</u> <u>Activities</u> | <u>Total</u> |
|---|--|---|----------------------|
| Current assets: | | | |
| Cash and investments | \$ 28,416,160 | \$ 124,686 | \$ 28,540,846 |
| Pension and OPEB trusts cash and investments | 6,491,008 | - | 6,491,008 |
| Receivables: | | | |
| Taxes | 1,484,194 | - | 1,484,194 |
| Accounts | 175,126 | 20,524 | 195,650 |
| Accrued interest | 68,161 | - | 68,161 |
| Prepaid items | 49,960 | - | 49,960 |
| Total current assets | <u>36,684,609</u> | <u>145,210</u> | <u>36,829,819</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Non-depreciable | 8,053,774 | 1,006,095 | 9,059,869 |
| Depreciable, net of accumulated depreciation | <u>50,082,056</u> | <u>1,415,450</u> | <u>51,497,506</u> |
| Total noncurrent assets | <u>58,135,830</u> | <u>2,421,545</u> | <u>60,557,375</u> |
| Total assets | <u>94,820,439</u> | <u>2,566,755</u> | <u>97,387,194</u> |
| <u>DEFERRED OUTFLOWS</u> | | | |
| Deferred outflows related to OPEB | 2,402,115 | - | 2,402,115 |
| Deferred outflows related to pensions | <u>3,903,179</u> | <u>-</u> | <u>3,903,179</u> |
| Total deferred outflows | <u>6,305,294</u> | <u>-</u> | <u>6,305,294</u> |
| <u>LIABILITIES</u> | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | 736,842 | 1,927 | 738,769 |
| Deposits | 143,799 | - | 143,799 |
| Compensated absences | 175,683 | - | 175,683 |
| Certificates of participation due in one year | <u>120,000</u> | <u>-</u> | <u>120,000</u> |
| Total current liabilities | <u>1,176,324</u> | <u>1,927</u> | <u>1,178,251</u> |
| Noncurrent liabilities due in more than one year: | | | |
| Compensated absences | 1,183,594 | - | 1,183,594 |
| Certificates of participation | 4,550,000 | - | 4,550,000 |
| Net pension liability | 10,094,682 | - | 10,094,682 |
| Net other post-employment benefit obligation | <u>12,704,842</u> | <u>-</u> | <u>12,704,842</u> |
| Total noncurrent liabilities | <u>28,533,118</u> | <u>-</u> | <u>28,533,118</u> |
| Total liabilities | <u>29,709,442</u> | <u>1,927</u> | <u>29,711,369</u> |
| <u>DEFERRED INFLOWS</u> | | | |
| Deferred inflows related to OPEB | 1,408,334 | - | 1,408,334 |
| Deferred inflows related to pensions | <u>1,036,212</u> | <u>-</u> | <u>1,036,212</u> |
| Total deferred inflows | <u>2,444,546</u> | <u>-</u> | <u>2,444,546</u> |
| <u>NET POSITION</u> | | | |
| Invested in capital assets, net of related debt | 53,465,830 | 2,421,545 | 55,887,375 |
| Restricted | 6,540,968 | - | 6,540,968 |
| Unrestricted | <u>8,964,947</u> | <u>143,283</u> | <u>9,108,230</u> |
| Total net position | <u>\$ 68,971,745</u> | <u>\$ 2,564,828</u> | <u>\$ 71,536,573</u> |

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

Town of Colma
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | <u>Total</u> |
|--|-------------------------|-----------------------------|---|---|--|---------------------------------|------------------------|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | |
| <u>Town Government</u> | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 3,803,188 | \$ - | \$ - | \$ - | \$ (3,803,188) | | \$ (3,803,188) |
| Public safety | 7,173,372 | 122,934 | 174,853 | - | (6,875,585) | | (6,875,585) |
| Public works | 3,044,965 | 172,061 | 45,844 | 256,757 | (2,570,303) | | (2,570,303) |
| Recreation | 1,021,257 | 58,396 | - | - | (962,861) | | (962,861) |
| Planning | 414,973 | 117,317 | 18,292 | - | (279,364) | | (279,364) |
| Interest on long-term debt | 178,969 | - | - | - | (178,969) | | (178,969) |
| Total governmental activities | <u>15,636,724</u> | <u>470,708</u> | <u>238,989</u> | <u>256,757</u> | <u>(14,670,270)</u> | | <u>\$ (14,670,270)</u> |
| Business-type activities: | | | | | | | |
| City properties | 158,516 | 190,931 | - | - | | \$ 32,415 | 32,415 |
| Sewer | 948,619 | 850,366 | - | - | | (98,252) | (98,252) |
| Total business-type activities | <u>1,107,135</u> | <u>1,041,297</u> | <u>-</u> | <u>-</u> | | <u>(65,837)</u> | <u>(65,837)</u> |
| Total | <u>\$ 16,743,859</u> | <u>\$ 1,512,005</u> | <u>\$ 238,989</u> | <u>\$ 256,757</u> | | <u>(65,837)</u> | <u>(14,736,107)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 680,615 | - | 680,615 |
| Sales taxes | | | | | 10,520,000 | - | 10,520,000 |
| Cardroom taxes | | | | | 3,319,059 | - | 3,319,059 |
| Other taxes | | | | | 140,997 | - | 140,997 |
| Use of money and property | | | | | 942,128 | 6,782 | 948,910 |
| Transfers | | | | | (98,253) | 98,253 | - |
| Other revenues | | | | | 115,716 | - | 115,716 |
| Total general revenues and special items | | | | | <u>15,620,262</u> | <u>105,035</u> | <u>15,725,297</u> |
| Change in net position | | | | | <u>949,992</u> | <u>39,198</u> | <u>989,190</u> |
| Net position beginning of period | | | | | 62,857,191 | 2,525,630 | 65,382,821 |
| Prior period adjustment | | | | | <u>5,164,562</u> | <u>-</u> | <u>5,164,562</u> |
| Net position, beginning of period restated | | | | | <u>68,021,753</u> | <u>2,525,630</u> | <u>70,547,383</u> |
| Net position ending of period | | | | | <u>\$ 68,971,745</u> | <u>\$ 2,564,828</u> | <u>\$ 71,536,573</u> |

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

Town of Colma
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2020

| | General Fund | Town Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|-------------------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 23,105,609 | \$ 2,221,832 | \$ 2,334,031 | \$ 27,661,472 |
| Pension and OPEB trusts cash and investments | 6,491,008 | - | - | 6,491,008 |
| Taxes receivable | 1,484,194 | - | - | 1,484,194 |
| Accounts receivable | 142,007 | 570 | 32,549 | 175,126 |
| Accrued interest receivable | 68,161 | - | - | 68,161 |
| Prepaid items | 49,960 | - | - | 49,960 |
| Total assets | \$ 31,340,939 | \$ 2,222,402 | \$ 2,366,580 | \$ 35,929,921 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 251,775 | \$ 64,441 | \$ 25,344 | \$ 341,560 |
| Accrued expenditures | 395,282 | - | - | 395,282 |
| Compensated absences | 175,683 | - | - | 175,683 |
| Deposits | 143,799 | - | - | 143,799 |
| Total liabilities | 966,539 | 64,441 | 25,344 | 1,056,324 |
| <u>FUND BALANCES</u> | | | | |
| Restricted Pension and OPEB trusts | 6,540,968 | - | - | 6,540,968 |
| Committed | 13,315,000 | - | - | 13,315,000 |
| Unassigned | 9,568,432 | - | - | 9,568,432 |
| Assigned | 950,000 | 2,157,961 | 2,341,236 | 5,449,197 |
| Total fund balances | 30,374,400 | 2,157,961 | 2,341,236 | 34,873,597 |
| Total liabilities and fund balances | \$ 31,340,939 | \$ 2,222,402 | \$ 2,366,580 | \$ 35,929,921 |
| Total governmental fund balances | - | - | - | \$ 34,873,597 |
| 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. | | | | 58,135,830 |
| The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. | | | | 754,688 |
| Some liabilities, including bonds, notes, leases and long-term portion of compensated absences are not due and payable in the current period and are therefore not reported in the funds. | | | | (24,792,370) |
| Net position of governmental activities | | | | \$ 68,971,745 |

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

Town of Colma
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

| | General Fund | Town Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------------|--------------------------------|--------------------------------|
| <u>REVENUES</u> | | | | |
| Property taxes | \$ 680,615 | \$ - | \$ - | \$ 680,615 |
| Sales taxes | 10,520,000 | - | - | 10,520,000 |
| Cardroom taxes | 3,319,059 | - | - | 3,319,059 |
| Other taxes | 140,997 | - | - | 140,997 |
| Licenses and permits | 275,241 | - | - | 275,241 |
| Fines and forfeits | 105,387 | - | - | 105,387 |
| Intergovernmental | 61,871 | - | 433,874 | 495,745 |
| Use of money and property | 615,943 | 147,856 | 141,550 | 905,349 |
| Other revenues | 95,442 | 15,718 | - | 111,160 |
| Charges for services | 90,080 | - | - | 90,080 |
| Total revenues | <u>15,904,635</u> | <u>163,574</u> | <u>575,424</u> | <u>16,643,633</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| General government | 3,779,516 | - | 3,249 | 3,782,765 |
| Public safety | 6,975,205 | - | 188,832 | 7,164,037 |
| Public works | 1,962,633 | 588,030 | 499,783 | 3,050,446 |
| Recreation | 1,033,665 | - | - | 1,033,665 |
| Planning | 414,973 | - | - | 414,973 |
| Debt service: | | | | |
| Principal | - | - | 115,000 | 115,000 |
| Interest | - | - | 178,969 | 178,969 |
| Total expenditures | <u>14,165,992</u> | <u>588,030</u> | <u>985,833</u> | <u>15,739,855</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,738,643</u> | <u>(424,456)</u> | <u>(410,409)</u> | <u>903,778</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers in | - | 1,272,000 | 340,830 | 1,612,830 |
| Transfers out | <u>(1,711,083)</u> | <u>-</u> | <u>-</u> | <u>(1,711,083)</u> |
| Total other financing sources (uses) | <u>(1,711,083)</u> | <u>1,272,000</u> | <u>340,830</u> | <u>(98,253)</u> |
| Net change in fund balances | <u>27,560</u> | <u>847,544</u> | <u>(69,579)</u> | <u>805,525</u> |
| Fund balances, beginning of period | 25,182,278 | 1,310,417 | 2,410,815 | 28,903,510 |
| Prior period adjustment | <u>5,164,562</u> | <u>-</u> | <u>-</u> | <u>5,164,562</u> |
| Fund balances, beginning of period restated | <u>30,346,840</u> | <u>1,310,417</u> | <u>2,410,815</u> | <u>34,068,072</u> |
| Fund balances, end of period | <u>\$ 30,374,400</u> | <u>\$ 2,157,961</u> | <u>\$ 2,341,236</u> | <u>\$ 34,873,597</u> |

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

Town of Colma
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 805,525

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 (\$1,085,542) is under capital outlays and transfers \$1,222,051 in the current period. 136,509

LONG-TERM DEBT PROCEEDS AND PAYMENTS

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

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

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal service funds are closed by charging additional amounts or reducing charges to participating governmental activities to completely cover the internal service funds costs for each year 119,758

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 | 128,200 |
| Pension expense | (556,078) |
| OPEB expense | <u>201,078</u> |

| | |
|----------------|----------------|
| Net difference | <u>144,467</u> |
|----------------|----------------|

| | |
|---|--------------------------|
| Change in Net Position of Governmental Activities | <u><u>\$ 949,992</u></u> |
|---|--------------------------|

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

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF NET POSITION
 June 30, 2020

| | Sewers | Town Properties | Totals | Governmental Activities Internal Service Fund |
|------------------------------|------------|-----------------|--------------|--|
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 1,666 | \$ 123,020 | \$ 124,686 | \$ 754,688 |
| Accounts receivable | 9,158 | 11,366 | 20,524 | - |
| Total current assets | 10,824 | 134,386 | 145,210 | 754,688 |
| 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 | (161,075) | (1,419,541) | (1,580,616) | - |
| Total capital assets | 219,835 | 2,201,710 | 2,421,545 | - |
| Total assets | 230,659 | 2,336,096 | 2,566,755 | 754,688 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | 386 | 1,541 | 1,927 | - |
| Total current liabilities | 386 | 1,541 | 1,927 | - |
| <u>NET POSITION</u> | | | | |
| Investment in capital assets | 219,835 | 2,201,710 | 2,421,545 | - |
| Unrestricted | 10,438 | 132,845 | 143,283 | 754,688 |
| Total net position | \$ 230,273 | \$ 2,334,555 | \$ 2,564,828 | \$ 754,688 |

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

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
 For the Year Ended June 30, 2020

| | Sewers | Town Properties | Totals | Governmental Activities Internal Service Fund |
|---|-------------------|---------------------|---------------------|--|
| Operating revenues: | | | | |
| Charges for services | \$ 850,366 | \$ 190,931 | \$ 1,041,297 | \$ 250,000 |
| Total operating revenues | <u>850,366</u> | <u>190,931</u> | <u>1,041,297</u> | <u>250,000</u> |
| Operating expenses: | | | | |
| Materials, supplies, rent and services | 948,619 | 100,351 | 1,048,970 | 171,578 |
| Depreciation | - | 58,165 | 58,165 | - |
| Total operating expenses | <u>948,619</u> | <u>158,516</u> | <u>1,107,135</u> | <u>171,578</u> |
| Operating income (loss) | <u>(98,253)</u> | <u>32,415</u> | <u>(65,838)</u> | <u>78,422</u> |
| Non-operating revenues (expenses): | | | | |
| Interest and other income | - | 6,782 | 6,782 | 36,780 |
| Sale of property | - | - | - | 4,556 |
| Total non-operating revenues (expenses) | <u>-</u> | <u>6,782</u> | <u>6,782</u> | <u>41,336</u> |
| Contributions and transfers | | | | |
| Transfers in | 98,253 | - | 98,253 | - |
| Transfers out | - | - | - | - |
| Capital contributions | - | - | - | - |
| Net contributions and transfers | <u>98,253</u> | <u>-</u> | <u>98,253</u> | <u>-</u> |
| Change in net position | - | 39,197 | 39,197 | 119,758 |
| Net position, beginning of period | <u>230,273</u> | <u>2,295,358</u> | <u>2,525,631</u> | <u>634,930</u> |
| Net position, end of period | <u>\$ 230,273</u> | <u>\$ 2,334,555</u> | <u>\$ 2,564,828</u> | <u>\$ 754,688</u> |

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

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2020

| | Sewers | Town Properties | Totals | Governmental Activities Internal Service Fund |
|--|---------------------|--------------------|--------------------|--|
| Cash flows from operating activities: | | | | |
| Receipts from other funds for services | \$ 841,208 | \$ 207,155 | \$ 1,048,363 | \$ 250,000 |
| Payments to suppliers | <u>(961,261)</u> | <u>(100,015)</u> | <u>(1,061,276)</u> | <u>(171,578)</u> |
| Net cash provided (used) by operating activities | <u>(120,053)</u> | <u>107,140</u> | <u>(12,913)</u> | <u>78,422</u> |
| Cash flows from investing activities: | | | | |
| Interest and other income | <u>-</u> | <u>6,782</u> | <u>6,782</u> | <u>36,780</u> |
| Net cash provided by investing activities | <u>-</u> | <u>6,782</u> | <u>6,782</u> | <u>36,780</u> |
| Cash flows from capital and related financing activities | | | | |
| Acquisition and construction of capital assets | (219,835) | (55,000) | (274,835) | - |
| Change in construction in progress | 218,541 | - | 218,541 | - |
| Transfers | 98,253 | - | 98,253 | - |
| Sale of property | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,556</u> |
| Net cash provided by capital and related financing activities | <u>96,959</u> | <u>(55,000)</u> | <u>41,959</u> | <u>4,556</u> |
| Net increase (decrease) in cash and cash equivalents | (23,094) | 58,922 | 35,828 | 119,758 |
| Cash and cash equivalents - beginning of period | <u>24,760</u> | <u>64,098</u> | <u>88,858</u> | <u>634,930</u> |
| Cash and cash equivalents - end of period | <u>\$ 1,666</u> | <u>\$ 123,020</u> | <u>\$ 124,686</u> | <u>\$ 754,688</u> |
| Reconciliation of operating income (loss) to net cash provided (used in) operating activities: | | | | |
| Operating income (loss) | <u>\$ (98,253)</u> | <u>\$ 32,415</u> | <u>\$ (65,838)</u> | <u>\$ 78,422</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | - | 58,165 | 58,165 | - |
| Changes in certain assets and liabilities: | | | | |
| Accounts receivable | (9,158) | 16,224 | 7,066 | - |
| Accounts payable | <u>(12,642)</u> | <u>336</u> | <u>(12,306)</u> | <u>-</u> |
| Net cash provided by (used for) operating activities | <u>\$ (120,053)</u> | <u>\$ 107,140</u> | <u>\$ (12,913)</u> | <u>\$ 78,422</u> |

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020

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

The Town reports the following major proprietary funds:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes elimination of interfund payables and receivables and of interfund transfers.

The Town may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Additionally, the Town reports the following fund type:

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

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

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

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

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

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the county, and be shared by applicable jurisdictions. The County of San Mateo (the County) collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and each installment becomes delinquent after December 10 and April 10, respectively. The Town receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of the delinquent taxes and pays the full allocation to the Town. The Town recognizes property tax revenues in the fiscal year in which they are levied for the Town.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure-type assets such as roads, bridges, sidewalks, and street lights, are reported in the accompanying basic financial statements. They are reported in the applicable governmental-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost when available, or at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|--------------------------------|--------------|
| Buildings | 50 |
| Infrastructure – street system | 40-50 |
| Vehicles | 8 |
| Equipment | 5-25 |
| Improvements | 20 |

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is a liability for a portion of unpaid accumulated sick leave since the Town does have a policy to pay certain amounts when certain employees separate from service with the Town. All vacation and sick leave is accrued when incurred in the government-wide financial statements. The liability for vacation and sick leave is recorded in the fund financial statements only when immediately due and payable, such as amounts that arise from employee retirements.

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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:

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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

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.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "capital assets are not financial resources and are not reported in the funds."

The details of this difference are as follows:

| | |
|--|----------------------|
| Capital assets | \$ 75,873,958 |
| Less: accumulated depreciation | (17,738,128) |
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ 58,135,830</u> |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

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

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 | \$ 3,903,179 |
| Deferred outflows – OPEB | 2,402,115 |
| Deferred inflows – pension | (1,036,212) |
| Deferred inflows – OPEB | (1,408,334) |
| Compensated absences | (1,183,594) |
| Certificates of participation | (4,670,000) |
| Net other post-employment benefit obligation | (12,704,842) |
| Net pension liability | <u>(10,094,682)</u> |
| Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ (24,792,370)</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 | \$ 1,222,051 |
| Capital transfers | - |
| Depreciation expense | (1,085,542) |
| Internal service fund | 119,758 |
| Compensated absences | 128,200 |
| Certificates of participation | 115,000 |
| Pension expense | (556,078) |
| Net other post-employment benefit obligation (OPEB) | <u>201,078</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>\$ 144,467</u> |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. Before the end of each fiscal year, all departments of the Town submit requests to the Town Manager so that a budget may be prepared. Before June 30, the proposed budget is presented to the Town Council for review. The Town Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

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

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

The following is a summary of cash and investments at June 30, 2020:

| | <u>Maturity 12</u> <u>Months or less</u> | <u>13-24</u> <u>Months</u> | <u>25-60</u> <u>Months</u> | <u>Total</u> |
|---|---|-------------------------------|-------------------------------|----------------------|
| Demand deposits | \$ 5,818,582 | \$ - | \$ - | \$ 5,818,582 |
| Cash and investments with fiscal agent | 5 | - | - | 5 |
| Local Agency Investment Fund (LAIF) | 2,114,384 | - | - | 2,114,384 |
| Public Agency Retirement Services | 6,541,531 | - | - | 6,541,531 |
| MBS Securities | - | 745,000 | 4,386,181 | 5,131,181 |
| San Mateo Co. Treasurer's Investment Pool | <u>12,104,191</u> | <u>2,604,446</u> | <u>717,534</u> | <u>15,426,171</u> |
| Total | <u>\$ 26,578,693</u> | <u>\$ 3,349,446</u> | <u>\$ 5,103,715</u> | <u>\$ 35,031,854</u> |

The Town's total cash and investments consisted of:

Unrestricted \$ 28,540,846

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the Town's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the above table that shows the distribution of the Town's investments by maturity or earliest call date.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the Town's name and places the Town ahead of general creditors of the institution.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

As of June 30, 2020, 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, 2020, the Town's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Town's position in the pool.

Fair Value Hierarchy

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (concluded)

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2020:

| <u>Investment Type</u> | <u>Level 2</u> | <u>Uncategorized</u> | <u>Total</u> |
|---|---------------------|----------------------|----------------------|
| California Local Agency Investment Fund | \$ - | \$ 2,114,384 | \$ 2,114,384 |
| San Mateo Co. Treasurer's Investment Pool | - | 15,426,171 | 15,426,171 |
| MBS Securities | 5,131,181 | - | 5,131,181 |
| Public Agency Retirement Services | - | 6,541,531 | 6,541,531 |
| Held by Trustees: | | | |
| U.S. Treasury Notes | <u>5</u> | <u>-</u> | <u>5</u> |
| Total investments | <u>\$ 5,131,186</u> | <u>\$ 24,082,086</u> | 29,213,272 |
| Cash in banks and on hand | | | <u>5,818,582</u> |
| Total cash and investments | | | <u>\$ 35,031,854</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, 2020 are provided by Standard and Poor's except as noted.

| <u>Investment Type</u> | <u>Total</u> |
|--|----------------------|
| Money Market Mutual Funds | \$ - |
| Not rated: | |
| California Local Agency Investment Fund | 2,114,384 |
| San Mateo County Treasurer's Investment Pool | 15,426,171 |
| Public Agency Retirement Services | 6,541,531 |
| Cash in banks and on hand | 5,818,582 |
| Exempt from rating requirement: | |
| U.S. Treasury Notes | <u>5</u> |
| Total cash and investments | <u>\$ 29,900,673</u> |

B. Receivables

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

| | <u>General</u> | <u>Nonmajor Funds</u> | <u>Business-type Funds</u> | <u>Total</u> |
|-----------------------|---------------------|---------------------------|--------------------------------|---------------------|
| Receivables: | | | | |
| Interest | \$ 68,161 | \$ - | \$ - | \$ 68,161 |
| Taxes | 1,484,194 | - | - | 1,484,194 |
| Accounts | <u>142,007</u> | <u>33,119</u> | <u>20,524</u> | <u>195,650</u> |
| Net total receivables | <u>\$ 1,694,362</u> | <u>\$ 33,119</u> | <u>\$ 20,524</u> | <u>\$ 1,748,005</u> |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|----------------------|---------------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,589,376 | \$ - | \$ - | \$ 6,589,376 |
| Construction in progress | <u>19,202,604</u> | <u>1,141,203</u> | <u>18,879,409</u> | <u>1,464,398</u> |
| Total capital assets, not being depreciated | <u>25,791,980</u> | <u>1,141,203</u> | <u>18,879,409</u> | <u>8,053,774</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 17,179,024 | 17,787,866 | 412,300 | 34,554,590 |
| Improvements other than buildings | 3,246,468 | 537,625 | - | 3,784,093 |
| Machinery and equipment | 2,563,550 | 679,617 | 126,300 | 3,116,867 |
| Infrastructure - street systems | <u>26,364,634</u> | <u>-</u> | <u>-</u> | <u>26,364,634</u> |
| Total capital assets, being depreciated | <u>49,353,676</u> | <u>19,005,108</u> | <u>538,600</u> | <u>67,820,184</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (4,318,671) | (323,581) | (193,405) | (4,448,847) |
| Improvements other than buildings | (2,368,226) | (151,024) | (174,045) | (2,345,205) |
| Machinery and equipment | (1,793,552) | (119,208) | (126,300) | (1,786,460) |
| Infrastructure - street systems | <u>(8,665,887)</u> | <u>(491,729)</u> | <u>-</u> | <u>(9,157,616)</u> |
| Total accumulated depreciation | <u>(17,146,336)</u> | <u>(1,085,542)</u> | <u>(493,750)</u> | <u>(17,738,128)</u> |
| Total capital assets, being depreciated, net | <u>32,207,340</u> | <u>17,919,566</u> | <u>44,850</u> | <u>50,082,056</u> |
| Governmental activities capital assets net | <u>\$ 57,999,320</u> | <u>\$ 19,060,769</u> | <u>\$ 18,924,259</u> | <u>\$ 58,135,830</u> |

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

| | |
|--|---------------------|
| Governmental activities: | |
| Public works | <u>\$ 1,085,542</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,085,542</u> |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

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 |
| Construction in progress | <u>218,541</u> | <u>(218,541)</u> | <u>-</u> | <u>-</u> |
| Total capital assets, not being depreciated: | <u>1,224,636</u> | <u>(218,541)</u> | <u>-</u> | <u>1,006,095</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 2,560,156 | 55,000 | - | 2,615,156 |
| Improvements | - | - | - | - |
| Machinery & equipment | - | - | - | - |
| Infrastructure | <u>161,075</u> | <u>219,835</u> | <u>-</u> | <u>380,910</u> |
| Total capital assets, being depreciated | <u>2,721,231</u> | <u>274,835</u> | <u>-</u> | <u>2,996,066</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (1,361,376) | (58,165) | - | (1,419,541) |
| Improvements | - | - | - | - |
| Machinery & equipment | - | - | - | - |
| Infrastructure | <u>(161,075)</u> | <u>-</u> | <u>-</u> | <u>(161,075)</u> |
| Total accumulated depreciation | <u>(1,522,451)</u> | <u>(58,165)</u> | <u>-</u> | <u>(1,580,616)</u> |
| Total capital assets, being depreciated, net | <u>1,198,780</u> | <u>216,670</u> | <u>-</u> | <u>1,415,450</u> |
| Business-type activities capital assets net | <u>\$ 2,423,416</u> | <u>\$ (1,871)</u> | <u>\$ -</u> | <u>\$ 2,421,545</u> |

D

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

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

D. Interfund Receivables, Payables and Transfers

Interfund transfers at June 30, 2020 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------|---------------------|----------------------|
| General Fund | \$ - | \$ 1,711,083 |
| Debt service | 295,830 | - |
| Town Capital Project Fund | 1,272,000 | - |
| Housing Impact Fee | - | - |
| Street Capital | 45,000 | - |
| Sewers | <u>98,253</u> | <u>-</u> |
| Totals | <u>\$ 1,711,083</u> | <u>\$ 1,711,083</u> |

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 4 - DETAILED NOTES ON ALL FUNDS (concluded)

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term debt activity for the 2020 fiscal year was as follows:

| | Beginning Balances | Additions | Reductions | Ending Balances | Due Within One Year |
|-------------------------------|-----------------------|-------------|-------------------|---------------------|------------------------|
| Certificates of Participation | \$ 4,785,000 | \$ - | \$ 115,000 | \$ 4,670,000 | \$ 120,000 |
| Net OPEB | 12,868,954 | - | 164,112 | 12,704,842 | - |
| Net Pension Liability | 10,498,331 | - | 403,649 | 10,094,682 | - |
| Compensated absences | <u>1,478,088</u> | <u>-</u> | <u>118,811</u> | <u>1,359,277</u> | <u>175,683</u> |
| Totals | <u>\$29,630,373</u> | <u>\$ -</u> | <u>\$ 801,572</u> | <u>\$28,828,801</u> | <u>\$ 295,683</u> |

Certificates of Participation

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

The annual requirements to amortize the debt outstanding as of June 30, 2020, including interest payments, are as follows:

| <u>Period Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|---------------------|---------------------|---------------------|
| 2021 | \$ 120,000 | \$ 174,369 | \$ 294,369 |
| 2022 | 125,000 | 169,569 | 294,569 |
| 2023 | 130,000 | 164,569 | 294,569 |
| 2024 | 135,000 | 160,669 | 295,669 |
| 2025 | 135,000 | 156,619 | 291,619 |
| 2026 | 140,000 | 151,219 | 291,219 |
| 2027 | 145,000 | 146,319 | 291,319 |
| 2028 | 150,000 | 141,969 | 291,969 |
| 2029 | 155,000 | 137,281 | 292,281 |
| 2030 | 160,000 | 132,244 | 292,244 |
| 2031-2045 | <u>3,275,000</u> | <u>1,122,391</u> | <u>4,397,391</u> |
| Total | <u>\$ 4,670,000</u> | <u>\$ 2,657,218</u> | <u>\$ 7,327,218</u> |

NOTE 5 - OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town obtains insurance coverage. The Town is a member of the ABAG PLAN Corporation (PLAN), which provides a pooled risk sharing insurance program. The PLAN provides the Town with insurance coverage of \$15 million per loss for liability claims. The Town has a \$50,000 self-insurance retention limit similar to a deductible. The PLAN insurance has two different layers of coverage. Layer 1 is a \$5 million self-insured layer shared by participants; Layer 2 is commercial excess insurance coverage for \$10 million beyond the \$5 million PLAN coverage. The PLAN also provides the Town with \$1 million pooled employee dishonesty coverage.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - OTHER INFORMATION (continued)

A. Risk Management (concluded)

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, 2020, the Town incurred liability claims expenses totaling \$73,362. There was one open claim as of June 30, 2020.

B. Contingencies and Commitments

Litigation

The Town is involved in litigation incurred in the normal course of conducting Town business. Town management believes, based upon consultation with its counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Town.

C. Public Employees Retirement System

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

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

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.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

The Plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

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

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

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, 2020 the Town reported the account balance of \$1,458,840 as restricted investments in the General Fund.

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

For the year ended June 30, 2020, the contributions recognized as part of pension expense for each Plan were as follows. The Town made a \$1.0 million supplemental contribution to CalPERS in the 2018-19 fiscal year.

| | |
|------------------------|----------------------------|
| | <u>Total Miscellaneous</u> |
| Employer Contributions | \$572,633 |
| | |
| | <u>Total Safety</u> |
| Employer Contributions | \$1,317,296 |

As of June 30, 2020, 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 | \$ 2,047,539 |
| Safety | 8,047,143 |
| Total Net Pension Liability | \$ 10,094,682 |

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

| | |
|--------------------------------|----------------------|
| <u>Town Miscellaneous Plan</u> | <u>Miscellaneous</u> |
| Proportion - June 30, 2018 | .077% |
| Proportion - June 30, 2019 | .051% |
| Change – Increase (Decrease) | (.026%) |
| | |
| <u>Town Safety Plan</u> | <u>Safety</u> |
| Proportion - June 30, 2018 | .130% |
| Proportion - June 30, 2019 | .129% |
| Change – Increase (Decrease) | (.001%) |

For the year ended June 30, 2020, the Town recognized pension expense of \$556,078. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date | \$ 1,889,929 | \$ - |
| Differences between actual and expected experience | 667,616 | 11,018 |
| Changes in assumptions | 427,474 | 98,979 |
| Net differences between projected and actual earnings on plan investments | 816,749 | 146,499 |
| Change in proportions and differences between actual Contributions and proportionate share of contributions | 101,411 | 779,716 |
| Total | \$ 3,903,179 | \$ 1,036,212 |

\$1,889,959 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, 2021.

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> | | | |
|---------------------------|--|----|----------|
| 2021 | | \$ | 830,855 |
| 2022 | | | (13,027) |
| 2023 | | | 130,436 |
| 2024 | | | 28,773 |
| Total | | \$ | 977,037 |

Actuarial Assumptions - For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

| | |
|---------------------------|---|
| Valuation Date | June 30, 2018 |
| Measurement Date | June 30, 2019 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Mortality | Derived using CalPERS Membership Data for all Funds (1) |
| Post Retirement Benefit | Contract COLA up to 2.75% until purchasing power |
| Increase | Protection allowance floor on power applies, 2.75% thereafter |

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

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

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

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

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

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 5 - OTHER INFORMATION (concluded)

C. Public Employees Retirement System (concluded)

| | Miscellaneous | Safety |
|-----------------------|---------------|--------------|
| 1% Decrease | 6.15% | 6.15% |
| Net Pension Liability | \$3,621,294 | \$12,556,680 |
| Current Discount Rate | 7.15% | 7.15% |
| Net Pension Liability | \$2,047,539 | \$8,047,143 |
| 1% Increase | 8.15% | 8.15% |
| Net Pension Liability | \$748,516 | \$4,350,029 |

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

D. Restricted Net Position and Fund Balances

Portions of the unassigned fund balance in the fund financial statements may be assigned to indicate tentative plans for financial resources being utilized in a future period, such as for general contingencies or capital projects. Such plans are subject to change, have not been legally authorized, and may not result in expenditures.

| Purpose | General Fund | Other Funds | Total Governmental |
|------------------------------------|---------------|--------------|--------------------|
| Restricted Pension and OPEB trusts | \$ 6,540,968 | \$ - | \$ 6,540,968 |
| Committed fund balances were: | | | |
| Debt service costs | 600,000 | - | 600,000 |
| Compensated absences | 715,000 | - | 715,000 |
| General and economic reserve | 12,000,000 | - | 12,000,000 |
| Total | 13,315,000 | - | 13,315,000 |
| Assigned fund balances were: | | | |
| Litigation | 100,000 | - | 100,000 |
| Insurance | 100,000 | - | 100,000 |
| Disaster response | 750,000 | - | 750,000 |
| Measure A – Transportation Tax | - | 331,659 | 331,659 |
| Measure W | - | 30,259 | 30,259 |
| Gas Tax – Streets and Roads | - | 111,001 | 111,001 |
| Housing Impact Fee | - | 276,242 | 276,242 |
| Law Enforcement – State Grants | - | 124,776 | 124,776 |
| Public Safety Grant | - | 6,865 | 6,865 |
| Debt Service - Trustee | - | 1,296 | 1,296 |
| Capital Improvement Fund | - | 2,157,961 | 2,157,961 |
| Street Capital Fund | - | 1,459,138 | 1,459,138 |
| Total | 950,000 | 4,499,197 | 5,449,197 |
| Unassigned fund balances were: | | | |
| General Fund | 9,568,432 | - | 9,568,432 |
| Grand Total | \$ 30,374,400 | \$ 4,499,197 | \$ 34,873,597 |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020. The Town's contributions towards this benefit for the fiscal year ended June 30, 2020 were \$38,200.

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 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, 2020

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.

In fiscal year 2015, the Town established a Section 115 irrevocable trust with the Public Agency Retirement Systems (PARS). As of June 30, 2020 the Town reported the account balance of \$5,082,691 as restricted investments in the General Fund.

Employees Covered by Benefit Terms

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

| Category | Count |
|---|-------|
| Inactive employees, spouses, or beneficiaries currently receiving benefit payments: | 19 |
| Inactive employees entitled to but not yet receiving benefit payments: | 0 |
| Active employees: | 37 |
| Total | 56 |

Contributions

The Town makes contributions based on an actuarially determined rate.

| | |
|--------------------------------|---|
| Contribution rate: | 23.81% for 18 years, 10.23% thereafter |
| Reporting period contributions | \$1,841,003 (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, 2018 and was used to calculate the net OPEB liability measured as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 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, 2018</u> | <u>June 30, 2019</u> | |
|-----------------------------|-------------------------|----------------------|---|
| Discount Rate | 5.61% | 5.47% | |
| Investment Rate of Return | 5.61% | 5.47% | |
| Inflation | 2.50% | 1.75% | |
| Healthcare Cost Trend Rates | N/A | 6.00% | Trending down to 3.84% over 55 years. Applies to calendar years. |
| Salary Increases | 2.75% | 2.750% | |
| Mortality Rates | Based on CalPERS tables | | Additional merit-based increases based on CalPERS merit salary increase tables. |

Discount Rate

The discount rate used to measure the total OPEB liability was 5.47%. This is the expected long-term rate of return on Town assets using the Strategy Other asset allocation provided by Public Agency Retirement Services (PARS).

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

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

The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

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 PARS.

| <u>Asset Class</u> | <u>Weight</u> | <u>Asset Class Expected Return</u> |
|-----------------------------|-----------------------|--|
| Equity | | |
| Large-Cap Core | 15.50% | 7.50% |
| Mid-Cap Core | 3.00% | 7.80% |
| Small-Cap Core | 4.50% | 8.70% |
| Real Estate | 1.00% | 6.70% |
| International | 4.00% | 7.80% |
| Emerging Market | 2.00% | 7.80% |
| Fixed Income | | |
| Short-Term Bond | 14.00% | 3.30% |
| Intermediate-Term Bond | 49.25% | 4.10% |
| High Yield | 1.75% | 6.90% |
| Cash | 5.00% | 2.40% |
| Expected Return | <u>100.00%</u> | <u>5.47%</u> |
| Expected Standard Deviation | | 5.07% |

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, 2019 | \$ 15,661,600 | \$ 2,792,646 | \$ 12,868,954 |
| Changes for the year: | | | |
| Service Cost | 780,902 | - | 780,902 |
| Interest | 901,033 | - | 901,033 |
| Changes of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | 175,759 | - | 175,759 |
| Changes of Assumptions | 56,399 | - | 56,399 |
| Contributions | | | |
| Employer – Town's Contribution | - | 1,698,720 | (1,698,720) |
| Employer - Implicit Subsidy | - | 142,283 | (142,283) |
| Net Investment Income | - | 245,743 | (245,743) |
| Benefit Payments | (620,318) | (620,318) | - |
| Implicit Subsidy Credit | (142,283) | (142,283) | - |
| Administrative expenses | - | (8,541) | 8,541 |
| Other Miscellaneous Income/(Expense) | - | - | - |
| Net Changes | <u>1,151,492</u> | <u>1,315,604</u> | <u>(164,112)</u> |
| Balance as of Report Date June 30, 2020 | <u>\$ 16,813,092</u> | <u>\$ 4,108,250</u> | <u>\$ 12,704,842</u> |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

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

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

The net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.47%) or one percentage point higher (6.47%) follows:

| Plan's Net OPEB Liability/(Asset) | | |
|-----------------------------------|----------------------------------|------------------------|
| 1% Decrease (4.47%) | Current Discount Rate (5.47%) | 1% Increase (6.47%) |
| \$ 15,294,889 | \$ 12,704,842 | \$ 10,623,825 |

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

The net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00%) or one percentage point higher (7.00%) than current healthcare cost trend rates follows:

| Plan's Net OPEB Liability/(Asset) | | |
|--|---|--|
| 1% Decrease 5.00% decreasing to 2.84% | Trend Rate 6.00% decreasing to 3.84% | 1% Increase 7.00% decreasing to 4.84% |
| \$ 10,255,729 | \$ 12,704,842 | \$ 15,810,208 |

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

For the year ended June 30, 2020 the Town recognized an OPEB expense of \$1,416,470. 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 | \$ 852,699 | \$ - |
| Changes of assumptions | 48,565 | (1,408,334) |
| Net difference between projected and actual earnings on OPEB plan investments | 25,586 | - |
| Contributions subsequent to measurement date | 1,475,265 | - |
| Total | \$ 2,402,115 | \$ (1,408,334) |

\$1,475,265 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, 2021.

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> | | |
|--------------------------|--|-------------|
| 2021 | | \$ (91,988) |
| 2022 | | (91,988) |
| 2023 | | (91,991) |
| 2024 | | (117,511) |
| 2025 | | (104,766) |
| Remaining | | 16,760 |

Town of Colma
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 - PRIOR PERIOD ADJUSTMENT

The prior period adjustment represents the Pension and Retiree Health (OPEB) trust cash and investments of \$5,164,562 that were not reported as part of the General Fund in the June 30, 2019 basic financial statements.

NOTE 9 - SUBSEQUENT EVENTS

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, have declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to the Town's operations includes restrictions on employees' and volunteers' ability to work, and 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.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2020
(UNAUDITED)

| | Budgeted | | Actual | Variance with |
|---|---------------------|---------------------|----------------------|--------------------|
| | Amounts | | | |
| | Original | Final | Amounts | Final Budget |
| <u>REVENUES</u> | | | | |
| Sales tax | \$ 11,400,000 | \$ 11,400,000 | \$ 10,520,000 | \$ (880,000) |
| Cardroom tax | 4,264,405 | 4,264,405 | 3,319,059 | (945,346) |
| Property and other taxes | 625,200 | 625,200 | 680,615 | 55,415 |
| Other taxes | 126,500 | 126,500 | 140,997 | 14,497 |
| Licenses and permits | 277,034 | 277,034 | 275,241 | (1,793) |
| Fines and forfeits | 103,166 | 103,166 | 105,387 | 2,221 |
| Intergovernmental | 67,010 | 67,010 | 61,871 | (5,139) |
| Use of money and property | 609,999 | 609,999 | 615,943 | 5,944 |
| Other revenues | 127,300 | 127,300 | 95,442 | (31,858) |
| Charges for services | 200,218 | 200,218 | 90,080 | (110,138) |
| Total revenues | <u>17,800,832</u> | <u>17,800,832</u> | <u>15,904,635</u> | <u>(1,896,197)</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| General government | 3,999,559 | 3,999,559 | 3,779,516 | 220,043 |
| Public safety | 8,610,671 | 8,610,671 | 6,975,205 | 1,635,466 |
| Public works | 2,439,008 | 2,439,008 | 1,962,633 | 476,375 |
| Planning | 497,420 | 497,420 | 414,973 | 82,447 |
| Recreation | 1,424,858 | 1,424,858 | 1,033,665 | 391,193 |
| Total expenditures | <u>16,971,516</u> | <u>16,971,516</u> | <u>14,165,992</u> | <u>2,805,524</u> |
| Excess (deficiency) of | | | | |
| revenues over expenditures | <u>829,316</u> | <u>829,316</u> | <u>1,738,643</u> | <u>909,327</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,775,069) | (1,775,069) | (1,711,083) | (63,986) |
| Total other financing sources (uses) | <u>(1,775,069)</u> | <u>(1,775,069)</u> | <u>(1,711,083)</u> | <u>(63,986)</u> |
| Net change in fund balance | <u>\$ (945,753)</u> | <u>\$ (945,753)</u> | <u>27,560</u> | <u>\$ 845,341</u> |
| Fund balance, beginning of period | | | 25,182,278 | |
| Prior period adjustment | | | 5,164,562 | |
| Fund balances, beginning of period restated | | | <u>30,346,840</u> | |
| Fund balance, end of period | | | <u>\$ 30,374,400</u> | |

Town of Colma
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS
 June 30, 2020

| Measurement Date, June 30 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.05113% | 0.07851% | 0.07722% | 0.07743% | 0.08263% | 0.07547% |
| Proportion share of the net pension liability | \$ 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 |
| Proportionate share of the net pension liability as percentage of covered-employee payroll | 94.14% | 154.43% | 177.58% | 156.93% | 144.49% | 129.57% |
| Plan fiduciary net position as a percentage of the total pension liability | 82.50% | 71.95% | 73.31% | 74.06% | 78.40% | 79.82% |

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

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

June 30, 2020

| Measurement Date, June 30 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.12891% | 0.12783% | 0.12783% | 0.19457% | 0.19974% | 0.20336% |
| Proportion share of the net pension liability | \$ 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 |
| Proportionate share of the net pension liability as percentage of covered-employee payroll | 301.13% | 282.71% | 329.74% | 309.99% | 253.20% | 267.11% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.54% | 75.31% | 73.31% | 74.06% | 78.40% | 79.82% |

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

Town of Colma
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
 June 30, 2020

| <u>Fiscal Year Ending June 30</u> | <u>Town Miscellaneous Plan</u> | | | | | |
|--|--------------------------------|--------------------|------------------|------------------|-------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually required contribution (actuarially determined) | \$ 572,633 | \$ 1,429,544 | \$ 333,699 | \$ 294,899 | \$ 359,763 | \$ 226,748 |
| Contributions in relation to the actuarially determined contributions | <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>\$ 4,379</u> | <u>\$ 110,739</u> | <u>\$ -</u> |
| Covered - employee payroll | \$ 1,915,941 | \$ 1,915,941 | \$ 1,714,156 | \$ 1,569,041 | \$ 1,439,421 | \$ 1,680,743 |
| Contributions as a percentage of covered-employee payroll | 29.89% | 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, 2020

| <u>Fiscal Year Ending June 30</u> | <u>Town Safety Plan</u> | | | | | |
|--|-------------------------|--------------------|------------------|------------------|-------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually required contribution (actuarially determined) | \$ 1,317,296 | \$ 1,050,947 | \$ 930,366 | \$ 788,713 | \$ 820,095 | \$ 712,647 |
| Contributions in relation to the actuarially determined contributions | <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>\$ 31,358</u> | <u>\$ 132,162</u> | <u>\$ -</u> |
| Covered - employee payroll | \$ 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 | 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, 2020

| Fiscal year | 2020 | 2019 |
|--|---------------|---------------|
| Total OPEB Liability | | |
| Service cost | \$ 780,902 | \$ - |
| Interest | 901,033 | 58,173 |
| Benefit payments, included refunds of employee contributions | (620,318) | (57,557) |
| Change in assumptions | 56,399 | (1,954,200) |
| Difference between actual and expected experience | 175,759 | 973,195 |
| Implicit Subsidy Credit | (142,283) | - |
| Net change in total OPEB liability | 1,151,492 | (980,389) |
| Total OPEB liability - beginning of year | 15,661,600 | 16,641,989 |
| Total OPEB liability - end of year | \$ 16,813,092 | \$ 15,661,600 |
| Plan Fiduciary Net Position | | |
| Net investment income | \$ 245,743 | \$ 27,073 |
| Contributions | | |
| Employer - explicit subsidy | 1,698,720 | 74,086 |
| Employer - implicit subsidy | 142,283 | 41,737 |
| Benefit payments, included refunds of employee contributions | (620,318) | (57,557) |
| Implicit Subsidy Credit | (142,283) | (41,737) |
| Administrative expense | (8,541) | (17) |
| Net change in plan fiduciary net position | 1,315,604 | 43,585 |
| Plan fiduciary net position - beginning of year | 2,792,646 | 2,749,061 |
| Plan fiduciary net position - end of year | 4,108,250 | 2,792,646 |
| Town's net OPEB liability - end of year | \$ 12,704,842 | \$ 12,868,954 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 24.40% | 17.83% |
| Covered-employee payroll | \$ 6,600,414 | \$ 6,423,761 |
| Net OPEB liability as a percentage of covered-employee payroll | 192.49% | 200.33% |

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

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

| | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 1,869,678 | \$ - | \$ 1,636,641 |
| Contributions in relation to the actuarially determined contribution | (1,841,003) | (115,823) | (1,636,641) |
| Contribution deficiency (excess) | \$ 28,675 | \$ (115,823) | \$ - |
| | | | |
| Covered payroll | \$ 6,600,414 | \$ 6,423,761 | \$ 4,068,515 |
| | | | |
| Contributions as a percentage of covered payroll | 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 |
| Asset valuation method | Market value projected to fiscal year-end 2017 by the Town of Colma |
| Inflation | 1.75% |
| Assumed Rate of Payroll Growth | 2.75% |
| Healthcare trend rates | 6.50%, trending down to 3.84% |
| Rate of return on assets | 5.74% |
| Mortality rate | CalPERS rates |
| Retirement rates | CalPERS rates |

SUPPLEMENTARY INFORMATION

Town of Colma
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

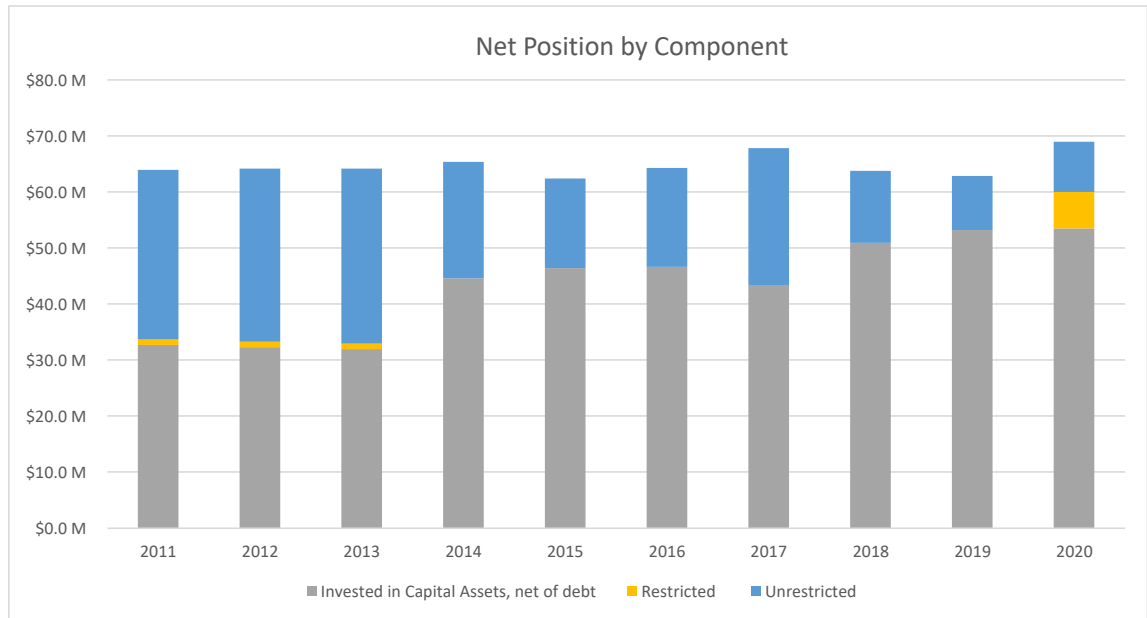
| | Special Revenue Funds | | | | | | | Total Nonmajor Governmental Funds | |
|--------------------------------------|-----------------------|-------------------|--------------------------|------------------|-------------------------|------------------------------------|---------------------|--|---------------------|
| | Gas Tax | Measure A | Housing Impact Fee | Measure W | Public Safety Grants | Local law Enforcement Grants | Street Capital | | Debt Service |
| <u>ASSETS</u> | | | | | | | | | |
| Cash and investments | \$ 110,877 | \$ 331,659 | \$ 276,242 | \$ 25,808 | \$ 6,865 | \$ 125,753 | \$ 1,455,531 | \$ 1,296 | \$ 2,334,031 |
| Receivables from other governments | 3,999 | - | - | 4,451 | - | - | 24,099 | - | 32,549 |
| Total assets | <u>\$ 114,876</u> | <u>\$ 331,659</u> | <u>\$ 276,242</u> | <u>\$ 30,259</u> | <u>\$ 6,865</u> | <u>\$ 125,753</u> | <u>\$ 1,479,630</u> | <u>\$ 1,296</u> | <u>\$ 2,366,580</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 3,875 | \$ - | \$ - | \$ - | \$ - | \$ 977 | \$ 20,492 | \$ - | \$ 25,344 |
| Total Liabilities | <u>3,875</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>977</u> | <u>20,492</u> | <u>-</u> | <u>25,344</u> |
| Fund balances: | | | | | | | | | |
| Assigned | <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>1,459,138</u> | <u>1,296</u> | <u>2,341,236</u> |
| Total fund balances | <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>1,459,138</u> | <u>1,296</u> | <u>2,341,236</u> |
| Total liabilities and fund balances | <u>\$ 114,876</u> | <u>\$ 331,659</u> | <u>\$ 276,242</u> | <u>\$ 30,259</u> | <u>\$ 6,865</u> | <u>\$ 125,753</u> | <u>\$ 1,479,630</u> | <u>\$ 1,296</u> | <u>\$ 2,366,580</u> |

Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

| | Special Revenue Funds | | | | | | | Debt Service | Total Nonmajor Governmental Funds |
|---|-----------------------|-------------------|--------------------|------------------|----------------------|----------------------------------|---------------------|------------------|-----------------------------------|
| | Gas tax | Measure A | Housing Impact Fee | Measure W | Public Safety Grants | Local Law Enforcement Grant Fund | Street Capital | | |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 66,834 | \$ 70,055 | \$ - | \$ 29,140 | \$ - | \$ 155,948 | \$ 111,897 | \$ - | \$ 433,874 |
| Use of money and property | 6,014 | 18,847 | 16,561 | 1,119 | - | 8,529 | 90,415 | 65 | 141,550 |
| Total revenues | <u>72,848</u> | <u>88,902</u> | <u>16,561</u> | <u>30,259</u> | <u>-</u> | <u>164,477</u> | <u>202,312</u> | <u>65</u> | <u>575,424</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | - | - | - | - | 3,249 | 3,249 |
| Public safety | - | - | - | - | 3,667 | 185,165 | - | - | 188,832 |
| Public works | 21,169 | - | - | - | - | - | 478,614 | - | 499,783 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | 115,000 | 115,000 |
| Interest | - | - | - | - | - | - | - | 178,969 | 178,969 |
| Total expenditures | <u>21,169</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,667</u> | <u>185,165</u> | <u>478,614</u> | <u>297,218</u> | <u>985,833</u> |
| Excess (deficiency) of revenues over expenditures | <u>51,679</u> | <u>88,902</u> | <u>16,561</u> | <u>30,259</u> | <u>(3,667)</u> | <u>(20,688)</u> | <u>(276,302)</u> | <u>(297,153)</u> | <u>(410,409)</u> |
| Other financing sources (uses): | | | | | | | | | |
| Debt proceeds | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 45,000 | 295,830 | 340,830 |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>45,000</u> | <u>295,830</u> | <u>340,830</u> |
| Net change in fund balances | 51,679 | 88,902 | 16,561 | 30,259 | (3,667) | (20,688) | (231,302) | (1,323) | (69,579) |
| Fund balances, July 1 | 59,322 | 242,757 | 259,681 | - | 10,532 | 145,464 | 1,690,440 | 2,619 | 2,410,815 |
| Fund balances, June 30 | <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>\$ 1,459,138</u> | <u>\$ 1,296</u> | <u>\$ 2,341,236</u> |

STATISTICAL SECTION

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



**Governmental
 activities (in Million)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Invested in capital assets, net of related debt | \$ 32.7 M | \$ 32.3 M | \$ 31.9 M | \$ 44.6 M | \$ 46.4 M | \$ 46.7 M | \$ 43.3 M | \$ 50.9 M | \$ 53.2 M | \$ 53.5 M |
| Restricted | 1.0 M | 1.0 M | 1.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 6.5 M |
| Unrestricted | 30.3 M | 30.9 M | 31.3 M | 20.8 M | 16.0 M | 17.7 M | 24.5 M | 12.9 M | 9.6 M | 9.0 M |
| Total | \$ 63.9 M | \$ 64.2 M | \$ 64.2 M | \$ 65.4 M | \$ 62.4 M | \$ 64.3 M | \$ 67.8 M | \$ 63.8 M | \$ 62.9 M | \$ 69.0 M |

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

| Expenses | Fiscal Year Ended June 30, | | | |
|---|-----------------------------------|------------------------|------------------------|------------------------|
| | 2011 | 2012 | 2013 | 2014 |
| Governmental activities: | | | | |
| General government | \$ 2,825,518 | \$ 3,132,552 | \$ 3,346,125 | \$ 2,967,299 |
| Public safety | 5,988,451 | 5,944,039 | 6,913,654 | 6,257,453 |
| Public works | 3,118,437 | 2,990,162 | 3,047,313 | 3,915,614 |
| Recreation & parks | 1,066,492 | 1,061,289 | 1,058,521 | 908,687 |
| Planning | 584,957 | 464,616 | 573,399 | 417,626 |
| Interest on long-term debts | 598,294 | 587,357 | 575,585 | 483,814 |
| Total governmental activities expenses | <u>14,182,149</u> | <u>14,180,015</u> | <u>15,514,597</u> | <u>14,950,493</u> |
| Total primary government expenses | <u>\$ 14,182,149</u> | <u>\$ 14,180,015</u> | <u>\$ 15,514,597</u> | <u>\$ 14,950,493</u> |
| Program revenues | | | | |
| Governmental activities: | | | | |
| Charges for services | | | | |
| General government | \$ - | \$ - | \$ - | \$ 20,175 |
| Public safety | 98,673 | 83,732 | 67,536 | 102,641 |
| Public works | 362,472 | 385,942 | 421,062 | 709,810 |
| Recreation & parks | 51,440 | 61,940 | 82,825 | 71,176 |
| Planning | 362,471 | 385,942 | 421,063 | 100,113 |
| Operating grants and contributions | 0 | 0 | 0 | 0 |
| Capital grants and contributions | 2,252,336 | 2,037,958 | 2,314,303 | 479,793 |
| Total government activities program revenues | <u>3,127,392</u> | <u>2,955,514</u> | <u>3,306,789</u> | <u>1,483,708</u> |
| Total primary government program revenues | <u>\$ 3,127,392</u> | <u>\$ 2,955,514</u> | <u>\$ 3,306,789</u> | <u>\$ 1,483,708</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | \$ (11,054,757) | \$ (11,224,501) | \$ (12,207,808) | \$ (13,466,785) |
| Total primary government net expense | <u>\$ (11,054,757)</u> | <u>\$ (11,224,501)</u> | <u>\$ (12,207,808)</u> | <u>\$ (13,466,785)</u> |
| General revenues and other changes in net assets | | | | |
| Governmental activities: | | | | |
| Taxes | | | | |
| Property taxes | \$ 366,266 | \$ 334,320 | \$ 354,574 | \$ 617,618 |
| Sales taxes | 4,901,120 | 5,045,150 | 5,517,652 | 6,232,713 |
| Cardroom taxes | 4,938,532 | 5,091,032 | 4,957,234 | 4,703,462 |
| Motor vehicle in-lieu, unrestricted | 50,024 | - | - | - |
| Other taxes and fees | 513,254 | 56,455 | 74,736 | 105,257 |
| Use of money/property and interest earnings | 287,291 | 476,595 | 496,197 | 503,140 |
| Other revenues | 0 | 63,213 | 70,307 | 41,408 |
| Extraordinary items: | | | | |
| Special item - forgiveness of assessments | 0 | 0 | 0 | 0 |
| Total governmental activities | <u>11,056,487</u> | <u>11,066,765</u> | <u>11,470,700</u> | <u>12,203,598</u> |
| Total primary government | <u>\$ 11,056,487</u> | <u>\$ 11,066,765</u> | <u>\$ 11,470,700</u> | <u>\$ 12,203,598</u> |
| Change in net position | | | | |
| Governmental activities | \$ 1,730 | \$ (157,736) | \$ (737,108) | \$ (1,263,187) |
| Total primary government | <u>\$ 1,730</u> | <u>\$ (157,736)</u> | <u>\$ (737,108)</u> | <u>\$ (1,263,187)</u> |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 3,903,936 | \$ 3,187,043 | \$ 2,821,469 | \$ 3,158,045 | \$ 4,735,196 | \$ 3,803,188 |
| | 2,832,021 | 7,027,124 | 5,693,256 | 7,877,748 | 7,711,938 | 7,173,372 |
| | 4,285,679 | 4,216,784 | 4,519,003 | 4,256,204 | 5,673,752 | 3,044,965 |
| | 946,869 | 968,178 | 1,066,457 | 1,210,189 | 1,250,971 | 1,021,257 |
| | 410,942 | 512,090 | 470,802 | 443,700 | 315,743 | 414,973 |
| | 0 | 114,087 | 185,669 | 183,469 | 181,268 | 178,969 |
| | 12,379,447 | 16,025,306 | 14,756,656 | 17,129,355 | 19,868,868 | 15,636,724 |
| \$ | 12,379,447 | \$ 16,025,306 | \$ 14,756,656 | \$ 17,129,355 | \$ 19,868,868 | \$ 15,636,724 |

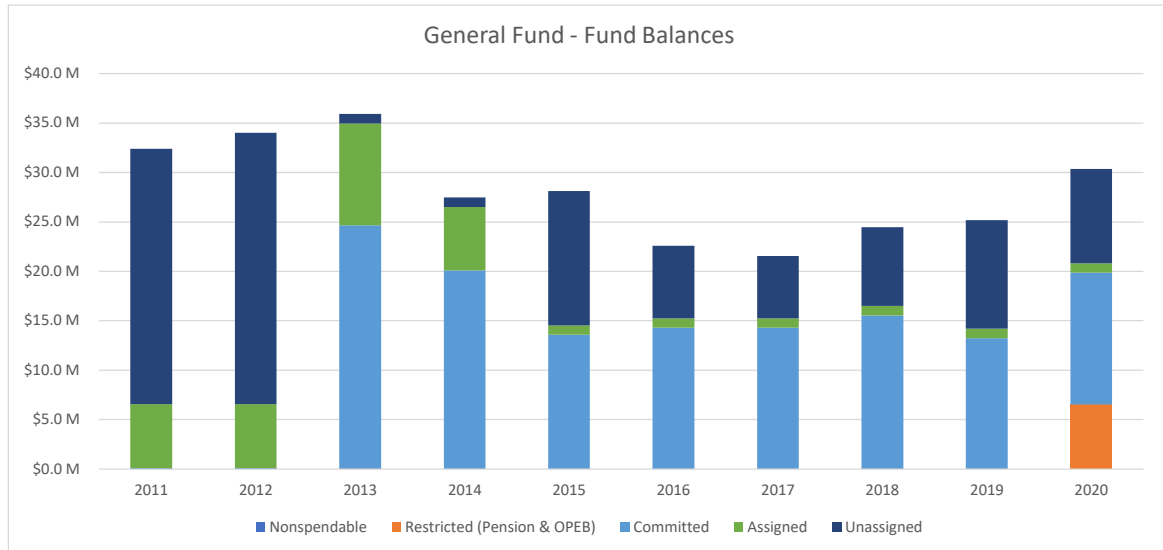
| | | | | | | |
|----|-----------|--------------|--------------|--------------|--------------|------------|
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | 106,935 | 68,225 | 250,905 | 97,848 | 25,417 | 122,934 |
| | 826,619 | 500,000 | 290,067 | 1,194,533 | 167,165 | 172,061 |
| | 78,592 | 524,317 | 580,133 | 142,078 | 83,662 | 58,396 |
| | 109,561 | 281,687 | 476,222 | 264,422 | 115,036 | 117,317 |
| | 138,809 | 282,497 | 156,775 | 230,352 | 237,521 | 238,989 |
| | 0 | 0 | 169,204 | 283,634 | 442,309 | 256,757 |
| | 1,260,516 | 1,656,726 | 1,923,306 | 2,212,867 | 1,071,110 | 966,454 |
| \$ | 1,260,516 | \$ 1,656,726 | \$ 1,923,306 | \$ 2,212,867 | \$ 1,071,110 | \$ 966,454 |

| | | | | | | |
|----|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ | (11,118,931) | \$ (14,368,580) | \$ (12,833,350) | \$ (14,916,488) | \$ (18,797,758) | \$ (14,670,270) |
| \$ | (11,118,931) | \$ (14,368,580) | \$ (12,833,350) | \$ (14,916,488) | \$ (18,797,758) | \$ (14,670,270) |

| | | | | | | |
|----|------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 472,157 | \$ 617,172 | \$ 578,560 | \$ 601,116 | \$ 640,080 | \$ 680,615 |
| | 6,843,923 | 10,851,063 | 11,202,349 | 11,397,118 | 12,066,527 | 10,520,000 |
| | 4,140,070 | 4,039,518 | 4,290,660 | 4,352,743 | 4,520,957 | 3,319,059 |
| | - | - | - | - | - | - |
| | 2,454,113 | 115,585 | 223,883 | 134,789 | 131,862 | 140,997 |
| | 615,754 | 473,432 | 247,803 | 416,023 | 679,643 | 942,128 |
| | 122,329 | 174,653 | 242,786 | 113,922 | (167,224) | 17,463 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | 14,648,346 | 16,271,423 | 16,786,041 | 17,015,711 | 17,871,845 | 15,620,262 |
| \$ | 14,648,346 | \$ 16,271,423 | \$ 16,786,041 | \$ 17,015,711 | \$ 17,871,845 | \$ 15,620,262 |

| | | | | | | |
|----|-----------|--------------|--------------|--------------|--------------|------------|
| \$ | 3,529,415 | \$ 1,902,843 | \$ 3,952,691 | \$ 2,099,223 | \$ (925,913) | \$ 949,992 |
| \$ | 3,529,415 | \$ 1,902,843 | \$ 3,952,691 | \$ 2,099,223 | \$ (925,913) | \$ 949,992 |

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



Governmental Fund Balance
For Fiscal Year Ending June 30,
(In Million)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 0.1 M | \$ 0.1 M | \$ 0.1 M | \$ 0.0 M | \$ 0.0 M | \$ 0.0 M | \$ 0.0 M | \$ 0.0 M | \$ 0.0 M | \$ 0.0 M |
| Restricted (Pension & OPEB) | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 0.0 M | 6.5 M |
| Committed | 0.0 M | 0.0 M | 24.6 M | 20.1 M | 13.6 M | 14.3 M | 14.3 M | 15.5 M | 13.3 M | 13.3 M |
| Assigned | 6.5 M | 6.5 M | 10.3 M | 6.4 M | 1.0 M | 1.0 M | 1.0 M | 1.0 M | 1.0 M | 1.0 M |
| Unassigned | 25.8 M | 27.5 M | 1.0 M | 1.0 M | 13.6 M | 7.4 M | 6.3 M | 8.0 M | 11.0 M | 9.6 M |
| Total General Fund | 32.4 M | 34.0 M | 35.9 M | 27.5 M | 28.1 M | 22.6 M | 21.5 M | 24.5 M | 25.2 M | 30.4 M |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 1.0 M | \$ 1.0 M | \$ 1.0 M | \$ 0.0 M | \$ 0.0 M | \$ 4.3 M | \$ 1.7 M | \$ 0.0 M | \$ 0.0 M | \$ 0.0 M |
| Assigned | 0.1 M | 0.1 M | 0.2 M | 0.1 M | 0.1 M | 9.0 M | 13.8 M | 8.4 M | 3.7 M | 4.5 M |
| Unassigned | 0.0 M | 0.0 M | 0.0 M | 0.0 M | (0.0 M) | 0.0 M | 0.0 M | (0.0 M) | 0.0 M | 0.0 M |
| Total Other Funds | 1.0 M | 1.1 M | 1.2 M | 0.1 M | 0.0 M | 13.3 M | 15.6 M | 8.4 M | 3.7 M | 4.5 M |

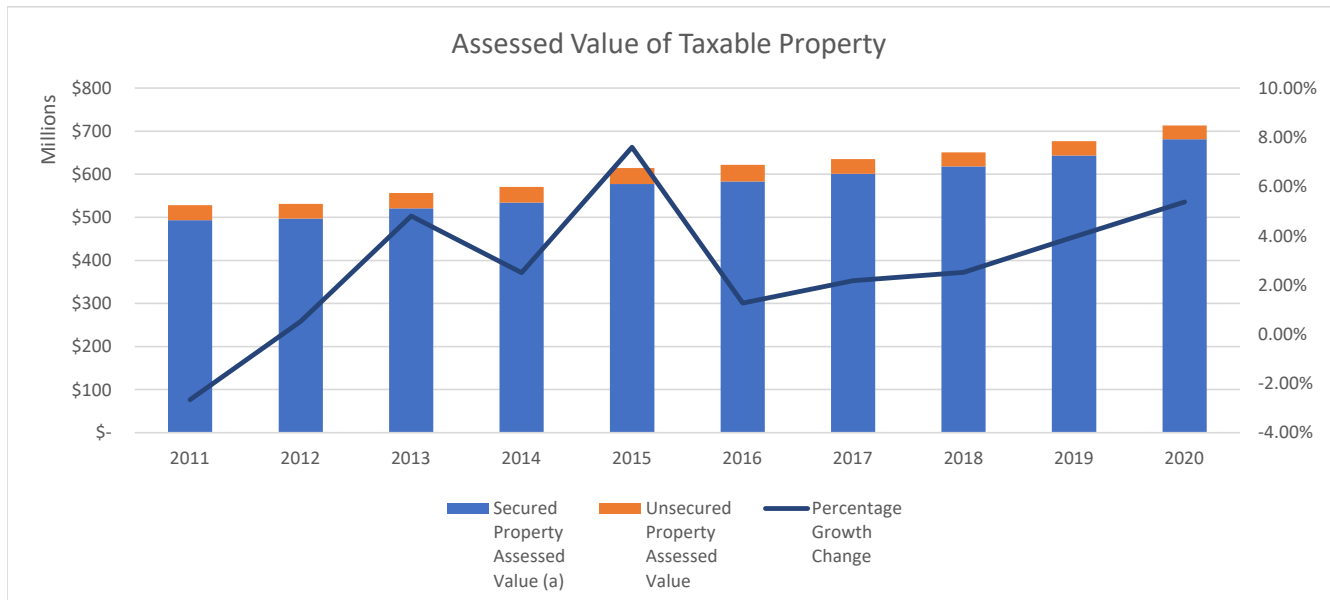
Town of Colma
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | |
|--|-----------------------------------|---------------------|---------------------|-----------------------|-------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | | |
| Property taxes | \$ 334,320 | \$ 354,574 | \$ 617,618 | \$ 472,157 | \$ 554,778 |
| Sales taxes | 5,045,150 | 5,517,652 | 6,232,713 | 6,843,923 | 10,327,853 |
| Cardroom taxes | 5,091,032 | 4,957,234 | 4,703,462 | 4,140,070 | 3,774,885 |
| Other taxes | 56,455 | 74,736 | 105,257 | 2,454,113 | 138,463 |
| Licenses and permits | 108,763 | 83,862 | 114,546 | 100,113 | 109,724 |
| Fines and forfeits | 98,673 | 83,732 | 67,536 | 66,611 | 65,785 |
| Intergovernmental | 2,252,336 | 2,037,958 | 2,314,303 | 479,793 | 407,960 |
| Use of money and property | 476,595 | 496,197 | 503,140 | 615,754 | 427,801 |
| Other revenues | 63,213 | 70,307 | 41,408 | 122,329 | 148,351 |
| Charges for services | 667,620 | 749,962 | 810,404 | 837,191 | 946,198 |
| Total revenues | 14,194,157 | 14,426,214 | 15,510,387 | 16,132,054 | 16,901,798 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 2,620,539 | 2,936,363 | 2,921,076 | 2,967,299 | 3,903,936 |
| Public safety | 4,929,990 | 4,822,180 | 5,445,546 | 5,397,761 | 4,961,165 |
| Public works | 3,179,758 | 2,866,880 | 2,936,622 | 3,299,749 | 6,083,862 |
| Recreation | 888,871 | 883,961 | 880,931 | 908,687 | 946,869 |
| Planning | 407,336 | 287,288 | 395,809 | 417,626 | 410,942 |
| Debt service: | | | | | |
| Principal repayment | 360,000 | 375,000 | 385,000 | 12,100,000 | 0 |
| Interest and fiscal charges | 595,309 | 584,509 | 572,884 | 577,209 | 0 |
| Total expenditures | 12,981,803 | 12,756,181 | 13,537,868 | 25,668,331 | 16,306,774 |
| Excess (deficiency) of revenues over (under) expenditures | 1,212,354 | 1,670,033 | 1,972,519 | (9,536,277) | 595,024 |
| Other financing sources (uses) | | | | | |
| Issuance of long-term debt | | | | | |
| Transfers in | 1,274,755 | 1,140,692 | 1,230,450 | 12,246,681 | 0 |
| Transfers (out) | (1,274,755) | (1,140,692) | (1,230,450) | (12,246,681) | 0 |
| Total other financing sources (uses) | 0 | 0 | 0 | 0 | 0 |
| Net change in fund balances | \$ 1,212,354 | \$ 1,670,033 | \$ 1,972,519 | \$ (9,536,277) | \$ 595,024 |
| Debt service as a percentage of noncapital expenditures | 2.8% | 2.9% | 2.8% | 47.1% | 0.0% |

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|-------------|--------------|----------------|----------------|-------------|
| \$ | 617,172 | \$ 578,560 | \$ 601,116 | \$ 640,080 | \$ 680,615 |
| | 10,851,063 | 11,202,349 | 11,397,118 | 12,066,527 | 10,520,000 |
| | 4,039,518 | 4,290,660 | 4,352,743 | 4,520,957 | 3,319,059 |
| | 115,585 | 136,895 | 127,789 | 131,862 | 140,997 |
| | 281,687 | 372,321 | 278,046 | 123,626 | 275,241 |
| | 68,225 | 64,740 | 73,907 | 103,519 | 105,387 |
| | 282,497 | 412,967 | 432,281 | 594,307 | 495,745 |
| | 473,432 | 247,803 | 416,023 | 668,061 | 905,349 |
| | 222,156 | 242,786 | 392,804 | 59,808 | 111,160 |
| | 1,024,317 | 1,160,266 | 1,156,751 | 123,216 | 90,080 |
| | 17,975,652 | 18,709,347 | 19,228,578 | 19,031,963 | 16,643,633 |
| | 3,194,543 | 2,821,469 | 3,158,045 | 4,735,196 | 3,782,765 |
| | 5,748,812 | 6,280,151 | 7,214,813 | 8,422,400 | 7,164,037 |
| | 4,730,141 | 6,575,487 | 11,312,133 | 7,766,952 | 3,050,446 |
| | 973,178 | 1,066,457 | 1,108,920 | 1,250,971 | 1,033,665 |
| | 512,090 | 470,802 | 443,700 | 315,743 | 414,973 |
| | 180,000 | 110,000 | 110,000 | 115,000 | 115,000 |
| | 114,087 | 185,669 | 183,469 | 181,268 | 178,969 |
| | 15,452,851 | 17,510,035 | 23,531,080 | 22,787,530 | 15,739,855 |
| | 2,522,801 | 1,199,312 | (4,302,502) | (3,755,567) | 903,778 |
| | 5,252,497 | | | | |
| | 9,833,630 | 5,848,997 | 1,215,893 | 3,332,131 | 1,612,830 |
| | (9,833,630) | (5,848,997) | (1,215,893) | (3,517,611) | (1,711,083) |
| | 5,252,497 | 0 | 0 | (185,480) | (98,253) |
| \$ | 7,775,298 | \$ 1,199,312 | \$ (4,302,502) | \$ (3,941,047) | \$ 805,525 |

1.2% 0.6% 0.5% 0.5% 0.7%

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



| Fiscal Year Ending June 30, | Secured Property Assessed Value (a) | Unsecured Property Assessed Value | SBE Nonunitary Value (a) | Total Assessed Value (a) | Total Direct Tax Rate (b) | Percentage Growth Change |
|--------------------------------|--|--|--------------------------------|--------------------------------|---------------------------------|--------------------------------|
| 2011 | 493,189,593 | 35,162,186 | 723,100 | 529,074,879 | 1.0% | -2.66% |
| 2012 | 497,097,100 | 34,175,946 | 542,325 | 531,815,371 | 1.0% | 0.52% |
| 2013 | 520,782,477 | 36,007,528 | 542,325 | 557,332,330 | 1.0% | 4.80% |
| 2014 | 534,119,184 | 36,578,906 | 542,325 | 571,240,415 | 1.0% | 2.50% |
| 2015 | 577,284,551 | 36,807,516 | 542,325 | 614,634,392 | 1.0% | 7.60% |
| 2016 | 583,049,863 | 38,607,884 | 723,100 | 622,380,847 | 1.0% | 1.26% |
| 2017 | 600,830,262 | 34,339,922 | 723,100 | 635,893,284 | 1.0% | 2.17% |
| 2018 | 618,149,159 | 32,961,152 | 723,100 | 651,833,411 | 1.0% | 2.51% |
| 2019 | 643,021,845 | 33,927,523 | 723,100 | 677,672,468 | 1.0% | 3.96% |
| 2020 | 681,306,233 | 31,900,343 | 903,875 | 714,110,451 | 1.0% | 5.38% |

(a) Assessed values presented are net of exemptions.

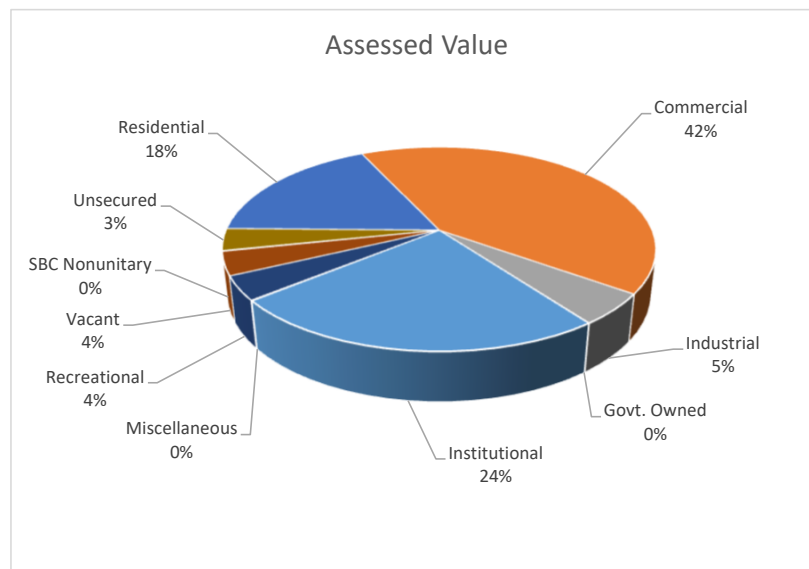
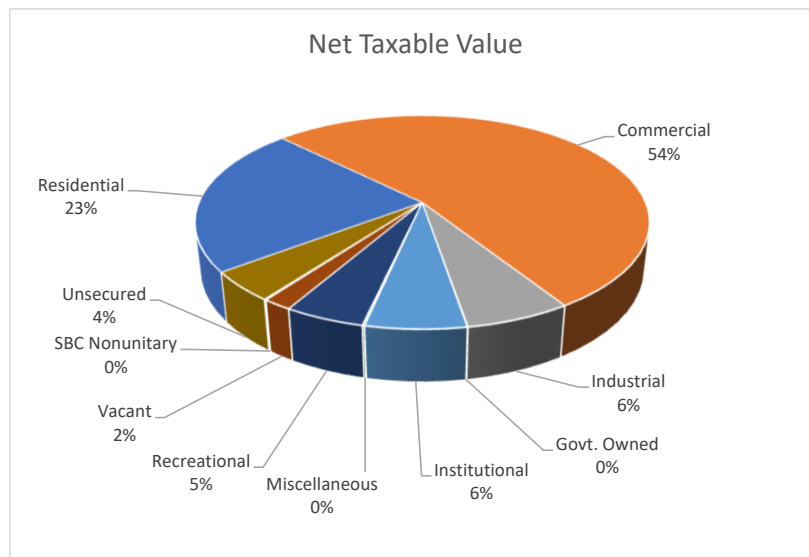
The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of non more than two percent annually, plus any local over-rides. These values are considered to be full market values.

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

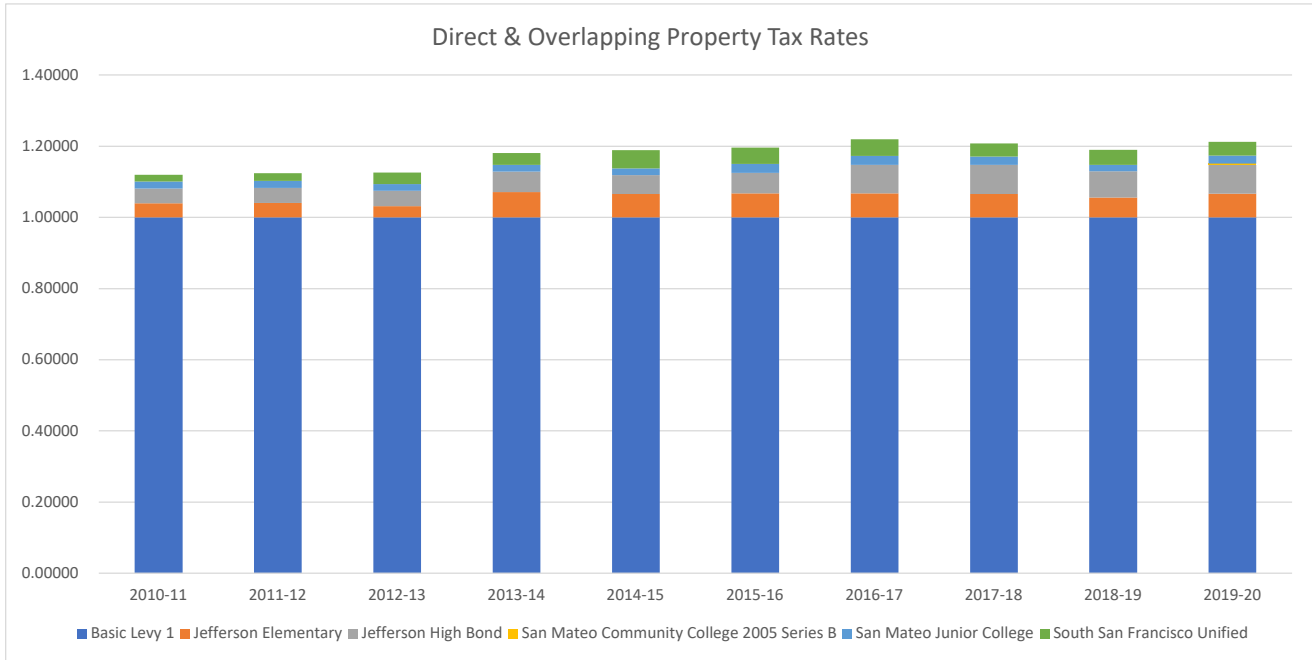
The Town of Colma has seven tax rate areas.

Town of Colma
Assessed Value of Taxable Property by Use
Fiscal year ending June 30, 2020

| Category | Parcels | Assessed Value | % of Total | Net Taxable Value | % of Total |
|----------------|------------|--------------------|------------|--------------------|------------|
| Residential | 322 | 162,280,463 | 17.8% | 162,280,463 | 17.8% |
| Commercial | 75 | 382,121,144 | 41.8% | 382,121,144 | 41.8% |
| Industrial | 19 | 45,481,916 | 5.0% | 45,481,916 | 5.0% |
| Govt. Owned | 8 | 204,497 | 0.0% | 204,497 | 0.0% |
| Institutional | 48 | 221,741,365 | 24.3% | 43,083,629 | 4.7% |
| Miscellaneous | 8 | 938,073 | 0.1% | 938,073 | 0.1% |
| Recreational | 3 | 34,564,220 | 3.8% | 34,564,220 | 3.8% |
| Vacant | 81 | 34,039,101 | 3.7% | 12,632,291 | 1.4% |
| SBC Nonunitary | [3] | 903,875 | 0.1% | 903,875 | 0.1% |
| Unsecured | [13] | 31,900,343 | 3.5% | 31,900,343 | 3.5% |
| Total | 564 | 914,174,997 | | 714,110,451 | |



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



| Fiscal Year | Agency | | | | | | Total Direct & Overlapping Tax Rates | City'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 | | |
| 2010-11 | 1.00000 | 0.03990 | 0.04160 | 0.00000 | 0.01930 | 0.01960 | 1.12040 | 0.10223 |
| 2011-12 | 1.00000 | 0.04070 | 0.04220 | 0.00000 | 0.01990 | 0.02210 | 1.12490 | 0.09297 |
| 2012-13 | 1.00000 | 0.03160 | 0.04300 | 0.00000 | 0.01940 | 0.03270 | 1.12670 | 0.09297 |
| 2013-14 | 1.00000 | 0.07130 | 0.05740 | 0.00000 | 0.01940 | 0.03280 | 1.18090 | 0.09297 |
| 2014-15 | 1.00000 | 0.06620 | 0.05300 | 0.00000 | 0.01900 | 0.05130 | 1.18950 | 0.09297 |
| 2015-16 | 1.00000 | 0.06740 | 0.05830 | 0.00000 | 0.02500 | 0.04570 | 1.19640 | 0.09297 |
| 2016-17 | 1.00000 | 0.06800 | 0.08000 | 0.00000 | 0.02470 | 0.04670 | 1.21940 | 0.09297 |
| 2017-18 | 1.00000 | 0.06630 | 0.08160 | 0.00000 | 0.02350 | 0.03660 | 1.20800 | 0.09297 |
| 2018-19 | 1.00000 | 0.05630 | 0.07390 | 0.00000 | 0.01750 | 0.04220 | 1.18990 | 0.09297 |
| 2019-20 | 1.00000 | 0.06670 | 0.08110 | 0.00350 | 0.02310 | 0.03810 | 1.21250 | 0.09297 |

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

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

FOR FISCAL YEAR 2019-20

| Business Name | Business Category |
|------------------------|------------------------------|
| Best Buy | Electronics/Appliance Stores |
| BevMo | Convenience Stores/Liquor |
| Carmax | Used Automotive Dealers |
| Cypress Lawn Cemetery | Morticians And Undertakers |
| Dollar Tree | Variety Stores |
| Golden Gate Acura | New Motor Vehicle Dealers |
| Home Depot | Building Materials |
| Honda Lease Trust | Auto Lease |
| Honda of Serramonte | New Motor Vehicle Dealers |
| Hyundai of Serramonte | New Motor Vehicle Dealers |
| Kohls | Department Stores |
| Lexus of Serramonte | New Motor Vehicle Dealers |
| Lucky Chances Casino | Leisure/Entertainment |
| Marshalls | Family Apparel |
| Michaels Arts & Crafts | Art/Gift/Novelty Stores |
| Nissan Serramonte | New Motor Vehicle Dealers |
| Pacific Coast Supply | Building Materials |
| Pacific Nurseries | Garden/Agricultural Supplies |
| Ross | Family Apparel |
| Serramonte Ford | New Motor Vehicle Dealers |
| Stewart Chevy Cadillac | New Motor Vehicle Dealers |
| Target | Discount Dept Stores |
| Team Volkswagen Subaru | New Motor Vehicle Dealers |
| Toyota Lease Trust | Auto Lease |
| Ulta Beauty | Specialty Stores |

Percent of Fiscal Year Total Paid By Top 25 Accounts = 89.30%

FOR FISCAL YEAR 2010-11

| Business Name | Business Category |
|-------------------------------|------------------------------|
| Bed Bath & Beyond | Home Furnishings |
| Best Buy | Electronics/Appliance Stores |
| BevMo | Convenience Stores/Liquor |
| Cypress Lawn Cemetery | Morticians And Undertakers |
| Golden Gate Acura | New Motor Vehicle Dealers |
| Home Depot | Building Materials |
| Honda Lease Trust | Auto Lease |
| Honda of Serramonte | New Motor Vehicle Dealers |
| Jo Ann Fabrics & Crafts | Specialty Stores |
| Kids R Us | Specialty Stores |
| Kohls | Department Stores |
| Lexus of Serramonte | New Motor Vehicle Dealers |
| Lucky Chances Casino & Dining | Leisure/Entertainment |
| Marshalls | Family Apparel |
| Michaels Arts & Crafts | Art/Gift/Novelty Stores |
| Nordstrom Rack | Department Stores |
| Old Navy | Family Apparel |
| Pacific Coast Supply | Building Materials |
| Pacific Nurseries | Garden/Agricultural Supplies |
| Serramonte Auto Plaza | New Motor Vehicle Dealers |
| Serramonte Ford | New Motor Vehicle Dealers |
| Stewart Chevy Cadillac | New Motor Vehicle Dealers |
| Target | Discount Dept Stores |
| Team Volkswagen Subaru | New Motor Vehicle Dealers |
| Toyota Motor Credit | Auto Lease |

Percent of Fiscal Year Total Paid By Top 25 Accounts = 89.81%

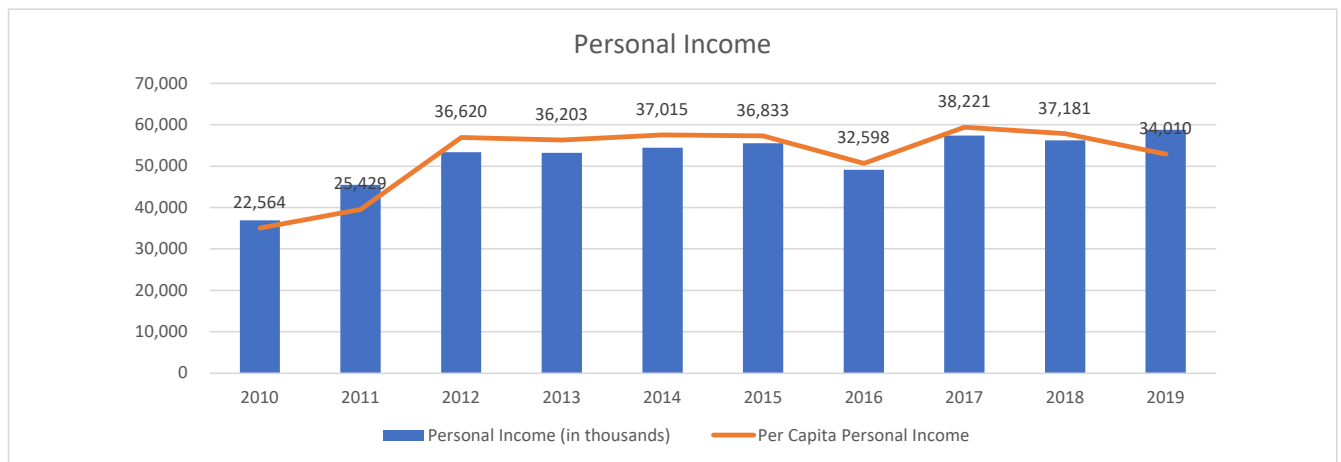
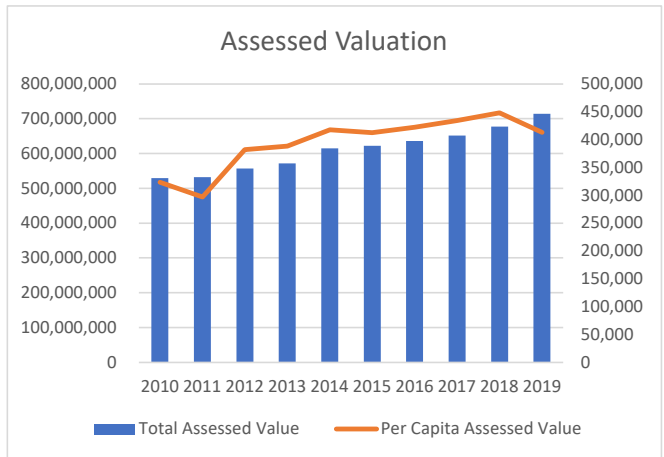
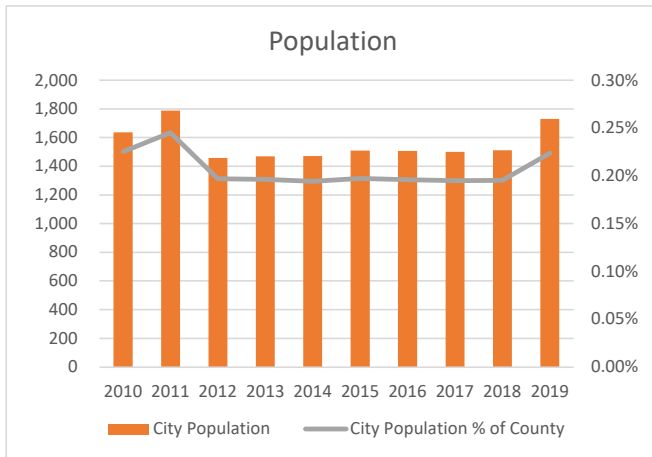
Town of Colma
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)
Adjusted for Economic Data

| Calendar Year | Autos & Transportation | Building & Construction | General Consumer Goods | State & County Pools | Other Industry Group | Other Fees, Transfers, & Adjustments | Total |
|----------------------|-----------------------------------|------------------------------------|-------------------------------|---------------------------------|-----------------------------|---|--------------|
| 2010 | \$ 27,893 | \$ 115,708 | \$ 9,457 | \$ 229,839 | \$ 210,154 | \$ 100,382 | \$ 693,433 |
| 2011 | \$ 28,580 | \$ 124,342 | \$ 13,039 | \$ 265,893 | \$ 203,645 | \$ 107,316 | \$ 742,815 |
| 2012 | \$ 32,806 | \$ 127,239 | \$ 14,095 | \$ 341,349 | \$ 205,815 | \$ 123,277 | \$ 844,581 |
| 2013 | \$ 31,538 | \$ 125,931 | \$ 13,994 | \$ 412,579 | \$ 222,168 | \$ 146,419 | \$ 952,629 |
| 2014 | \$ 31,053 | \$ 119,402 | \$ 15,528 | \$ 484,072 | \$ 225,642 | \$ 178,801 | \$ 1,054,498 |
| 2015 | \$ 30,707 | \$ 117,401 | \$ 16,383 | \$ 509,063 | \$ 228,579 | \$ 188,861 | \$ 1,090,994 |
| 2016 | \$ 35,231 | \$ 114,147 | \$ 16,998 | \$ 539,984 | \$ 225,747 | \$ 215,821 | \$ 1,147,928 |
| 2017 | \$ 40,328 | \$ 114,566 | \$ 20,466 | \$ 551,644 | \$ 237,458 | \$ 224,061 | \$ 1,188,523 |
| 2018 | \$ 38,750 | \$ 90,965 | \$ 23,018 | \$ 582,511 | \$ 238,033 | \$ 242,839 | \$ 1,216,116 |
| 2019 | \$ 38,147 | \$ 87,577 | \$ 24,676 | \$ 575,008 | \$ 242,355 | \$ 272,731 | \$ 1,240,494 |

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

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

Town of Colma
Demographic and Economic Statistic
Last Ten Fiscal Years



| Calendar Year | City Population | Total Assessed Value | Per Capita Assessed Value | Personal Income (in thousands) | Per Capita Personal Income | San Mateo County Population | City Population % of County |
|---------------|-----------------|----------------------|---------------------------|--------------------------------|----------------------------|-----------------------------|-----------------------------|
| 2010 | 1,637 | 529,074,879 | 323,198 | 36,937 | 22,564 | 726,305 | 0.23% |
| 2011 | 1,789 | 531,815,371 | 297,270 | 45,492 | 25,429 | 729,429 | 0.25% |
| 2012 | 1,458 | 557,332,330 | 382,258 | 53,392 | 36,620 | 740,850 | 0.20% |
| 2013 | 1,470 | 571,240,415 | 388,599 | 53,218 | 36,203 | 749,165 | 0.20% |
| 2014 | 1,471 | 614,634,392 | 417,834 | 54,449 | 37,015 | 756,866 | 0.19% |
| 2015 | 1,509 | 622,380,847 | 412,446 | 55,581 | 36,833 | 764,711 | 0.20% |
| 2016 | 1,506 | 635,893,284 | 422,240 | 49,093 | 32,598 | 768,507 | 0.20% |
| 2017 | 1,501 | 651,833,411 | 434,266 | 57,369 | 38,221 | 770,116 | 0.19% |
| 2018 | 1,512 | 677,672,468 | 448,196 | 56,218 | 37,181 | 773,994 | 0.20% |
| 2019 | 1,729 | 714,110,451 | 413,019 | 58,803 | 34,010 | 773,244 | 0.22% |