

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

FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure W Fund of the Town of Colma as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Colma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure W Fund of the Town of Colma, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Colma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, the accompanying financial statements present only the Measure W Fund and do not purport to, and do not, present fairly the financial position of Town of Colma, California, as of June 30, 2022, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure W Fund of the Town of Colma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Measure W Fund of the Town of Colma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure W Fund of the Town of Colma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 26, 2022

Town of Colma
Measure W Fund
GOVERNMENTAL FUND TYPE
BALANCE SHEET
June 30, 2022

ASSETS

Cash and investments	\$ 89,445
	<u>89,445</u>
Total assets	<u>\$ 89,445</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to other fund	\$ -
	<u>-</u>
Fund balance:	
Restricted	89,445
	<u>89,445</u>
Total liabilities and fund balances	<u>\$ 89,445</u>

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

Town of Colma
Measure W Fund
GOVERNMENTAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2022

Revenues:	
1/2 cent sales tax	\$ 28,461
Investment income (loss)	<u>(387)</u>
Total revenues	<u>28,074</u>
Expenditures:	
Capital outlay	<u>-</u>
Total expenditures	<u>-</u>
Excess of revenues over expenditures	28,074
Fund balance, beginning of period	<u>61,371</u>
Fund balance, end of period	<u><u>\$ 89,445</u></u>

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

Town of Colma
Measure W Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - REPORTING ENTITY

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

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

B. Budgets and Budgetary Accounting

The Town adopted an annual budget for the Fund for the fiscal year ending June 30, 2022. The Town’s budget is prepared on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at year end.

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

NOTE 3 - CASH AND INVESTMENTS

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

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

Town of Colma
Measure W Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (concluded)

Interest earnings, if any, were allocated to the Fund in the 2022 fiscal year based upon the Fund's average cash balances and the proportionate interest earned by the Town on its pooled investments in the State of California Local Agency Investment Fund (LAIF) and the San Mateo County Treasurer Pool. See the Town's Basic Financial Statements for the disclosures related to cash and investments and the related custodial risk categorization.

NOTE 4 - CONTINGENCIES

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

NOTE 5 - RESTRICTED FUND BALANCE

The accompanying financial statements reflect certain changes that have been made with respect to the reporting components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of fund balances of governmental funds now reflect the component classification of assigned fund balance.

Restricted fund balance includes amounts restricted by external creditors, grantors, contributors, laws or regulations of other governments.

NOTE 6 - SUBSEQUENT EVENTS

The Town's management has evaluated events and transactions subsequent to June 30, 2022 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued.