

TOWN OF ROSS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

TOWN OF ROSS

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

To the Town Manager and
Members of the Town Council
Town of Ross, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ross, California, as of and for the year ended June 30, 2011, which collectively comprise the Town of Ross's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Ross's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ross as of June 30, 2011, and the respective changes in financial positions thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the notes to the financial statements, the City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 27, 2012, on our consideration of the Town of Ross internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering results of our audit.

The accompanying Required Supplementary Information, such as management's discussion and analysis, budgetary comparison information and the schedule of funding progress for retiree health benefits, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplemental information including the non-major governmental fund's combining balance sheet and statement of revenues, expenditures, and changes in fund balance, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California

March 27, 2012

TOWN OF ROSS

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

INTRODUCTION

The following provides a narrative overview and analysis of the fiscal operations during the fiscal year ended June 30, 2011, for the Town of Ross. The Management Discussion and Analysis is to be read in conjunction with the Town's Financial Statements.

FISCAL YEAR 2010-2011 FINANCIAL HIGHLIGHTS

- The Government-wide Statement of Net Assets appearing as the first statement of the Basic Financial Statements and summarized in this Management Discussion and Analysis, show the Town's assets to be \$12.7 million, liabilities of \$2.1 million and net assets of \$10.6 million.
- The Fund Financial Statements show total Town's revenues were \$8.0 million compared with total expenses of \$8.5 million, resulting in a decrease in fund balance for the fiscal year ended June 30, 2011 of \$.5 million.
- The Town's net capital assets totaled \$4.2 million at June 30, 2011, representing 39.7% of the Town's total net assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are presented in three parts:

1. Management's Discussion and Analysis
2. The Basic Financial Statements, which include the government-wide and fund financial statements, along with the notes to the financial statements
3. Required supplementary information

The Basic Financial Statements

The Basic Financial Statements are comprised of Town-wide Financial Statements and Fund Financial Statements. These two sets of financial statements provide the reader two different viewpoints of the Town's financial activities and financial position.

TOWN OF ROSS

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

The Government-wide Financial Statements provide a long-term view of the Town of Ross's activities as a whole and comprise the Statement of Net Assets and Statement of Activities and Changes in Net Assets. The Statement of Net Assets provides information about the financial position of the Town as a whole, including all of its capital assets and long-term liabilities on a full accrual basis, similar to the "basis" used by private companies. The Statement of Activities and Changes in Net Assets provides information about the Town's revenues and expenses, also on a full accrual basis, with the emphasis on measuring net revenues and/or expenses for each of the Town's activities. The Statement of Activities and Changes in Net Assets explains in detail the change in net assets for the fiscal year.

All of the Town's activities are required to be grouped into government activities and business-type activities. The entire amount in the Statement of Net Assets and Statement of Activities and Changes in Net Assets are also required to be separated into governmental activities or business-type activities in order to provide a summary of these two activities as a whole. In the case of the Town of Ross, there are no business-type activities as of June 30, 2011.

The Fund Financial Statements report the Town's operations in more detail than the government-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 balance; the balance sheets 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, with subordinate schedules presenting the detail for each of these funds. Major funds are explained in footnote 2.

The Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets present information about the following:

Governmental activities – All of the Town's basic services are considered to be governmental activities, including general government, public safety, community development and facilities. These services are supported by general Town revenues such as taxes, licenses and permits.

Government-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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

Fund Financial Statements

Fund financial statements provide detailed information about each of the Town's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by the Governmental Accounting Standards Board (GASB) Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, 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. Major funds present the major activities of the Town for the fiscal year, and may change from year to year as a result of changes in the pattern of the Town's activities.

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 on the balance sheets in the governmental fund financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Notes to the Financial Statements

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the fund financial statements.

Required Supplementary Information

The Required Supplementary Information follows the basic financial statements and includes a budgetary comparison schedule and a schedule of funding progress for retiree health benefits.

Supplementary Information

Supplementary information follows the required supplementary information. Combining and individual fund statements and schedules provide information for non-major governmental fund, and special revenue funds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

Government-wide Analysis

The Town has presented its financial statements in accordance with GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Comparative financial information is provided in tables 1 and 2.

Statement of Net Assets Governmental Activities

Table 1

	2011	2010	Net Change	% change
ASSETS				
Cash and investments	\$ 7,551,975	\$ 8,779,157	\$(1,227,182)	-13.98%
Accounts receivables	944,134	25,643	918,491	3581.84%
Deposits and prepaid expenses	25	24	1	4.17%
Capital assets, net of accumulated depreciation	4,217,087	1,709,698	2,507,389	146.66%
Total Assets	<u>12,713,221</u>	<u>10,514,522</u>	<u>2,198,699</u>	<u>20.91%</u>
LIABILITIES				
Accounts payable	368,577	166,373	202,204	121.54%
Accrued liabilities	74,356	192,214	(117,858)	-61.32%
Deposits payable	1,058,939	975,390	83,549	8.57%
Accrued compensated absences	472,045	694,497	(222,452)	-32.03%
Other Post Employment Benefits	111,200	55,000	56,200	100.00%
Total Liabilities	<u>2,085,117</u>	<u>2,083,474</u>	<u>1,643</u>	<u>0.08%</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,217,087	1,709,698	2,507,389	146.66%
Unrestricted	6,411,017	6,721,350	(310,333)	-4.62%
Total Net Assets	<u>\$ 10,628,104</u>	<u>\$ 8,431,048</u>	<u>\$ 2,197,056</u>	<u>26.06%</u>

TOWN OF ROSS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

**Statement of Activities and Changes in Net Assets
Table 2**

	2011	2010	Net Change	% change
REVENUES				
Program revenues:				
Charge for services	\$ 986,366	\$ 1,098,064	\$ (111,698)	-10.17%
Operating and capital contributions and grants	2,508,934	507,799	2,001,135	394.08%
General revenues:				
Property taxes	3,120,049	2,941,639	178,410	6.06%
Other taxes	882,571	956,378	(73,807)	-7.72%
Investment earnings	146,124	128,070	18,054	14.10%
Other	368,894	340,519	28,375	8.33%
Total Revenues	8,012,938	5,972,469	2,040,469	34.16%
EXPENSES:				
General government	1,145,909	1,152,580	(6,671)	-0.58%
Public safety	3,606,492	3,877,723	(271,231)	-6.99%
Public works	1,063,480	1,158,028	(94,548)	-8.16%
Total expenses	5,815,882	6,188,331	(372,449)	-6.02%
Increase(Decrease) in net assets	2,197,056	(215,862)	2,412,918	1117.81%
Net assets beginning of year	8,431,048	8,646,910	(215,862)	-2.50%
Net assets end of year	\$ 10,628,104	\$ 8,431,048	\$ 2,197,056	26.06%

Statement of Activities

Charges for services were down due to the decrease in building construction activity. The increase in operating and capital contributions and grants was due to the Lagunitas Bridge Replacement grant, the Sir Francis Drake Blvd. Pavement Rehabilitation grant, and the Sir Francis Drake Pathway grant. Property taxes are up due to a new revenue source, Property Tax in Lieu of Vehicle License Fees. Other taxes were down due to loss of State Vehicle License Fee revenue.

General government expenses remained relatively flat compared to the prior year. Public safety expenses showed significant decreases due to net savings in compensation as a result of position changes within the Police and Fire departments. Public works expenses were down due a decrease in repairs and maintenance expenditures not subject to capitalization compared to the prior year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

Major funds

General Fund Highlights from the Fund Financial Statements:

General Fund Revenues - General Fund revenues for the year ended June 30, 2011, decreased by \$164,984 or 3% over the prior fiscal year.

- Taxes increased \$513,717 or 14.8% over the prior fiscal year.
- Revenues from use of money and property increased \$25,951 or 7.62% from the prior fiscal year.
- Revenues from building permits were down 42% and construction penalties were up 38%.
- Revenue from reimbursements of Town costs were down 62% mostly due to decrease in workers compensation insurance reimbursements.

General Fund Expenditures – Expenditures for the year ended June 30, 2011, increased by approximately \$40,045 or .71% from the prior fiscal year.

- Public Safety decreased by \$34,288 or .96% over the prior fiscal year.
- Public Works increased by \$139,787 or 19.35% from the prior fiscal year.
- General Government and Capital Expenditures remained about the same as the prior fiscal year.

Drainage Fund Highlights

- Drainage fund revenues increased by \$1,572,851 or 958% over the prior fiscal year. Expenditures increased by \$1,519,005 or 447% from the prior fiscal year.

Roadway Fund Highlights

- Roadway fund revenues increased by \$401,612 or 407% over the prior fiscal year. Expenditures increased by \$294,822 or 141% from the prior fiscal year.

General Fund Budgetary Highlights

A comparison of the final budget to actual revenues and expenditures for the General Fund is presented in the required supplementary information section of this report.

Actual revenues were \$5,324,633 which was \$13,582 less than the budgeted amount.

Total actual expenditures were \$5,694,091 which was \$377,681 over the budgeted amount.

TOWN OF ROSS

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$4,217,087. This figure does not include Town infrastructure such as roads and bridges constructed prior to June 30, 2005 as allowed under current governmental accounting standards. The cumulative historical cost figures before June 30, 2005 may be added in the future at management's discretion. All additional infrastructure from June 30, 2005 forward is recorded and accounted for. Additional detail on capital assets can be found in Note 5 to these financial statements.

Long - Term Obligations

The Town's long-term obligations consist of accrued compensated absences in the amount of \$472,045 and other post employment benefits of \$111,200. Additional information on compensated absences and can be found in Notes 10 and 12 to these financial statements.

Economic Outlook and Next Year's Budget

General Fund revenues for fiscal year ending June 30, 2012 are anticipated to be relatively flat with no significant change in property values. The Municipal Services Tax should continue at the same level.

General Fund expenditures for fiscal year ending June 30, 2012 are anticipated to increase due to the increased cost of contracted professional services.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the Town of Ross's finances for all of the Town of Ross's residents, taxpayers, and customers. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Patricia Thompson, Interim Town Manager, Town of Ross, P.O. Box 320, Ross, CA 94957.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF ROSS

**STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 6,493,036
Restricted assets - cash and investments	1,058,939
Accounts receivables	944,134
Prepaid expenses	5
Deposits	20
Capital assets, net of accumulated depreciation	4,217,087
Total Assets	<u>12,713,221</u>
LIABILITIES	
Accounts payable	368,577
Accrued liabilities	74,356
Accrued compensated absences (current portion)	94,409
Accrued compensated absences (long-term)	377,636
Accrued Other Post Employment Benefits, payable (long-term)	111,200
Deposits payable from restricted assets	1,058,939
Total Liabilities	<u>2,085,117</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,217,087
Unrestricted	6,411,017
Total Net Assets	<u>\$ 10,628,104</u>

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

TOWN OF ROSS

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

	Expenses	Program Revenues			(Expense) and Change in Net Assets
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total Governmental Activities
Governmental Activities:					
General government	\$ 1,145,909	\$ 175,507	\$ 379,169	\$ -	\$ (591,233)
Public safety	3,606,492	11,667	128,318	-	(3,466,507)
Public works	1,063,480	799,192	-	2,001,447	1,737,159
Total Primary Government	<u>\$ 5,815,882</u>	<u>\$ 986,366</u>	<u>\$ 507,487</u>	<u>\$ 2,001,447</u>	<u>(2,320,582)</u>

General Revenues:

Taxes:

Property tax	3,120,049
Municipal services tax	651,227
Sales tax	27,669
Franchise tax	155,255
Real property transfer tax	40,643
Motor vehicle taxes	7,777
Investment earnings	146,124
Other revenue	368,894
Total General Revenues	<u>4,517,638</u>
Change in Net Assets	2,197,056
Net Assets, Beginning of Year	<u>8,431,048</u>
Net Assets, End of Year	<u>\$ 10,628,104</u>

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

FUND FINANCIAL STATEMENTS

TOWN OF ROSS

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

	General	Drainage	Roadway	Non-Major Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 4,801,575	\$ 98,643	\$ 368,161	\$ 1,224,657	\$ 6,493,036
Restricted assets - cash	1,058,939	-	-	-	1,058,939
Accounts receivables	118,345	564,827	226,509	34,453	944,134
Prepaid expenses	5	-	-	-	5
Deposits	20	-	-	-	20
Total Assets	<u>\$ 5,978,884</u>	<u>\$663,470</u>	<u>\$ 594,670</u>	<u>\$ 1,259,110</u>	<u>\$ 8,496,134</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 170,243	\$152,117	\$ 8,180	\$ 38,037	\$ 368,577
Accrued liabilities	74,356	-	-	-	74,356
Deposits payable from restricted assets	1,058,939	-	-	-	1,058,939
Total Liabilities	<u>1,303,538</u>	<u>152,117</u>	<u>8,180</u>	<u>38,037</u>	<u>1,501,872</u>
FUND BALANCES					
Nonspendable	25	-	-	-	25
Restricted	34,427	511,353	586,490	554,655	1,686,925
Committed	184,806	-	-	-	184,806
Assigned	-	-	-	694,859	694,859
Unassigned	4,456,088	-	-	(28,441)	4,427,647
Total Fund Balances	<u>4,675,346</u>	<u>511,353</u>	<u>586,490</u>	<u>1,221,073</u>	<u>6,994,262</u>
Total Liabilities and Fund Balances	<u>\$ 5,978,884</u>	<u>\$663,470</u>	<u>\$ 594,670</u>	<u>\$ 1,259,110</u>	<u>\$ 8,496,134</u>

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

TOWN OF ROSS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Fund Balances of Governmental Funds	\$ 6,994,262
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets of governmental activities are not financial resources and therefore are not reported in the governmental funds	4,217,087
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds	(472,045)
Net other postemployment employment benefits obligations are not due payable in the current period and therefore are not reported in the governmental funds	<u>(111,200)</u>
Net Assets of Governmental Activities	<u><u>\$ 10,628,104</u></u>

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

TOWN OF ROSS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	General	Drainage	Roadway	Non-Major Governmental Funds	Total
REVENUES					
Taxes	\$ 3,994,843	\$ -	\$ -	\$ -	\$ 3,994,843
Intergovernmental	270,820	1,575,011	336,920	415,133	2,597,884
Licenses and permits	210,314	160,898	162,912	31,264	565,388
Revenue from use of money and property	366,315	1,072	345	4,750	372,482
Charges for services	362,283	-	-	-	362,283
Fines and forfeitures	7,717	-	-	-	7,717
Miscellaneous	112,341	-	-	-	112,341
Total Revenues	<u>5,324,633</u>	<u>1,736,981</u>	<u>500,177</u>	<u>451,147</u>	<u>8,012,938</u>
EXPENDITURES					
Current:					
General government	969,291	-	-	280,312	1,249,603
Public safety	3,549,988	-	-	93,818	3,643,806
Public works	862,130	1,858,846	503,582	58,873	3,283,431
Capital outlay	312,682	-	-	-	312,682
Total Expenditures	<u>5,694,091</u>	<u>1,858,846</u>	<u>503,582</u>	<u>433,003</u>	<u>8,489,522</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(369,458)</u>	<u>(121,865)</u>	<u>(3,405)</u>	<u>18,144</u>	<u>(476,584)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	40,708	40,708
Transfers out	(40,708)	-	-	-	(40,708)
Total Other Financing Sources (Uses)	<u>(40,708)</u>	<u>-</u>	<u>-</u>	<u>40,708</u>	<u>-</u>
Net Change in Fund Balances	(410,166)	(121,865)	(3,405)	58,852	(476,584)
Fund Balances, Beginning of Year	<u>5,085,512</u>	<u>633,218</u>	<u>589,895</u>	<u>1,162,221</u>	<u>7,470,846</u>
Fund Balances, End of Year	<u>\$ 4,675,346</u>	<u>\$ 511,353</u>	<u>\$ 586,490</u>	<u>\$ 1,221,073</u>	<u>\$ 6,994,262</u>

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

TOWN OF ROSS

**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, 2011**

Net Change in Fund Balances - Total Governmental Funds \$ (476,584)

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures, but in the Statement of Activities the cost of such assets is allocated over their estimated useful lives as depreciation expense or is allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	2,808,773
Depreciation expense	(301,385)

Compensated absences expenses incurred and reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Amounts paid for previously accrued compensated absences are recorded as expenditures in the governmental funds, but reduce the accrual on the Statement of Net Assets and are not included as an expense in the Statement of Activities.

222,452

Other post employment benefits expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(56,200)

Change in Net Assets of Governmental Activities

\$ 2,197,056

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 1 – GENERAL

The Town of Ross (the Town) operates under a Council-Manager form of government and provides the following services as authorized as a general law Town: police and fire protection, streets, public improvements, planning and zoning, and general administrative services.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Town consists of all funds, departments, boards, and agencies that are not legally separate from the Town.

B. Basis of Accounting/Measurement Focus

Government–Wide Financial Statements

The Town’s Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities (including changes in net assets). These statements present summaries of Governmental Activities for the Town. The Town does not currently have any fiduciary or business-type activities.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town’s assets and liabilities, including capital assets and excluding infrastructure as well as long-term debt are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of program revenues for the Town are reported in three categories: (1) charges for services, (2) operating contributions and grants, and (3) capital contributions and grants. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function.

Contributions and grants include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 with regard to interfund activities, payables, and receivables. Internal balances in the Government-Wide Financial Statements have been eliminated.

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

In order to ensure the proper identification of individual revenue sources and expenditures made from those revenues, the accounts of the Town are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The Town's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in the statements of net assets reflected in the Government-Wide Financial Statements. The Town has presented all major funds that met the qualifications of GASB Statement No. 34.

All governmental funds are accounted for on a "spending" or financial flow measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included on the balance sheets. The reported fund balance is the net current assets, which is considered only to be a measure of available spendable resources. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by presenting increases and decreases in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. Those revenues susceptible to accrual are property taxes, sales taxes, transient occupancy taxes, utility user taxes, property transfer taxes, interest revenues, and charges for services. Fines, licenses, use of property, and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long term obligations which is recognized when due. Because of their current financial resources focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major governmental funds:

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

The Drainage Fund accounts for expenditures and related financial resources collected through drainage impact fees and other restricted funds collected specifically for drainage maintenance, repair and modification.

The Roadway Fund accounts for expenditures and related financial resources collected through road impact fees and other restricted funds collected specifically for roadway maintenance, repair and modification.

Stewardship, Compliance and Accountability

The Park Fund special revenue fund had a deficit fund balance at year end. The fund should be able to eliminate its deficit with future fund revenues. Otherwise, the general fund would be required to eliminate any remaining deficits.

C. Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget/actual comparisons in this report use this budgetary basis. Budgetary comparison schedules are presented for the General, Drainage, and Roadway Funds. The budgetary comparison schedules present both the original adopted budget and the final budget with all amendments.

D. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Building Improvements	5-30 Years
Vehicles	5-10 Years
Furniture, fixtures, and equipment	3-10 Years

E. Interfund Transactions

With Council approval, resources may be transferred from one Town fund to another. Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

The County of Marin assesses all properties and it bills, collects, and distributes property taxes and special assessments as follows:

	<u>Secured/Unsecured</u>
Valuation dates	July 1
Lien/levy dates	November 1
Due dates	50% on November 1 and February 1
Delinquent as of	December 10 and April 10

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy/due dates	50% on November 1 and February 1	July 1
Delinquent as of	December 10 and April 10	August 1

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenue is recognized in accordance with applicable GASB pronouncements; that is, in the fiscal year for which the taxes have been levied provided they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period. The County of Marin remits the entire amount of the tax levy to the Town (net of County administrative fees), and handles all delinquencies, retaining any interest and penalties.

G. Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Town does not have a policy that requires sick leave to be paid upon an employee’s termination from the Town. As an estimate of the ultimate amount that may be paid out if an individual separates in good standing, accumulated sick leave is only recognized as a liability to the extent of twenty-five percent of sick leave calculated at fiscal year end and reflected in the government-wide financial statements. All vacation pay is accrued when incurred and is reflected in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liabilities have matured, e.g., as a result of employee resignations and retirements.

Following is a summary of the Town’s sick leave pay out policies:

Miscellaneous Employees: Upon retirement, in good standing: 50% of accumulated unused sick leave, not to exceed 90 days.

Fire MOU for members: At retirement into PERS, in good standing: all accumulated sick leave equal to 50% of then accrued sick leave, up to a maximum of 900 hours.

Police Employees: At retirement: 50% of unused sick leave, for FY2010-2011 and 2011-12 up to a maximum of 720 hours total, for FY 2012-13 up to a maximum of 660 hours total.

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Cash and Cash Equivalents

The Town considers cash and cash equivalents as short-term highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

J. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

K. Fund Balances

Changes in Accounting Principles

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The Town of Ross has implemented the provisions of this statement for the year ended June 30, 2011. Please refer to Note 8 for more information.

NOTE 3 – CASH AND INVESTMENTS

The Town’s dependence on property tax receipts requires it to maintain significant cash reserves to finance operations during certain portions of the year. The Town pools cash from all sources so that it can safely invest at maximum yields, while individual funds can make expenditures at any time.

All investments are carried at fair value. Investment income is allocated quarterly among funds on the basis of average fund balance in funds that maintain positive average cash balances.

Summary of Deposits and Investments

Cash and cash equivalents as of June 30, 2011, consist of the following:

Cash	\$ 630,327
Investments	6,921,648
Total Governmental	<u>\$ 7,551,975</u>

Cash and Investments

Cash and investments as of June 30, 2011, are classified in the accompanying financial statements as follows:

Cash and investments	\$ 6,493,036
Restricted cash and investments	1,058,939
	<u>\$ 7,551,975</u>

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 3 – CASH AND INVESTMENTS (Continued)

Policies and Practices

The Town is authorized under California Government Code and the Town's investment policy to make direct investments in U.S. Treasury instruments and securities of the U.S. Government, the Local Agency Investment Fund (LAIF), and federally insured deposits in commercial banks and savings and loan associations.

General Authorizations

The table below identifies the investment types that are authorized for the Town of Ross by the California Government Code and are further limited by the Town's investment policy. Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	180 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Passbook Savings Account Demand Deposits	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market's interest rates. The Town manages its exposure to interest rate risk by purchasing only short-term investments as necessary to provide the cash flow and liquidity needed for operations.

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 3 – CASH AND INVESTMENTS (Continued)

As of June 30, 2011, the Town had the following investments:

	Fair Value	Maturity in Years		
		≤ 1 year	≤ 2 year	3 to 5 years
Uncategorized				
Certificates of Deposit	\$ 972,868	\$ 262,012	\$ 459,554	\$ 251,302
Government Mortgage Back Securities	2,594,223	-	-	2,594,223
Money Market Funds	400,219	400,219	-	-
Local Agency Investment Fund (LAIF)	2,954,338	2,954,338	-	-
Total Investments	<u>\$6,921,648</u>	<u>\$3,616,569</u>	<u>\$ 459,554</u>	<u>\$2,845,525</u>

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 certificates of deposits are with various financial institutions and are fully insured by the Federal Deposit Insurance Corporation. The LAIF investment is not rated. Mortgage backed securities are government sponsored, therefore they are rated at or above AA. Money Market Funds have an S&P rating of AAAM.

Concentration of Credit Risk

The Town's investment policy contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code.

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the Town's deposits may not be returned. The Town's policy, as well as the California Government Code, requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2011, the Town's bank balance of \$666,334, with a reported balance of \$630,327, is either insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Neither the California Government Code nor the Town's investment policy contains legal or policy requirements that would limit the exposure to custodial risk.

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment in the State Investment Pool

The Town is a voluntary participant in the LAIF that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Town's investment in the pool is reported in the accompanying financial statement at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, and is recorded on the amortized cost basis.

NOTE 4 – INTERFUND TRANSFERS

With Council approval, resources may be transferred from one Town fund to another. Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfer In	Transfer Out
General Fund	\$ -	\$ 40,708
Capital Projects Funds:		
Equipment Replacement	40,708	-
Total	<u>\$ 40,708</u>	<u>\$ 40,708</u>

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 5 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Town has reported all capital assets including infrastructure on a prospective basis in the Government-wide Statement of Net Assets. The Town elected to use the basic approach as defined by GASB Statement No. 34, whereby depreciation expense and accumulated depreciation has been recorded. The following table presents the capital assets activity for the year ended June 30, 2011.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2	\$ -	\$ -	\$ 2
Construction in progress	295,467	23,701	266,214	52,954
Total Capital Assets Not Being Depreciated	295,469	23,701	266,214	52,956
Capital Assets, Being Depreciated:				
Land improvements	559,556	3,015,056	-	3,574,612
Buildings	1,439,632	5,432	-	1,445,064
Furniture and fixtures	44,041	-	-	44,041
Office equipment	97,331	4,938	2,588	99,681
Safety equipment	443,766	3,542	-	447,308
Street and park equipment	90,033	4,700	-	94,733
Vehicles	1,095,320	17,618	150,520	962,418
Total Capital Assets Being Depreciated	3,769,679	3,051,286	153,108	6,667,857
Less Accumulated Depreciation For:				
Land improvements	143,575	134,150	-	277,725
Buildings	776,449	66,378	-	842,827
Furniture and fixtures	40,240	3,274	-	43,514
Office equipment	91,282	5,493	2,588	94,187
Safety equipment	443,766	1,181	-	444,947
Street and park equipment	88,031	2,942	-	90,973
Vehicles	772,106	87,966	150,520	709,552
Total Accumulated Depreciation	2,355,449	301,385	153,108	2,503,726
Total Capital Assets, Being Depreciated, Net	1,414,230	2,749,901	-	4,164,131
Governmental Activities Capital Assets, Net	\$ 1,709,699	\$ 2,773,602	\$ 266,214	\$ 4,217,087

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

General government	\$ 177,151
Public safety	99,597
Public works	24,638
Total Depreciation Expense - Governmental Activities	\$ 301,386

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6 – PENSION PLAN

A. PERS Plan Description

Plan Description. The Town contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and all other requirements are established by State statute and Town ordinance. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office located at 400 P Street Sacramento, California 95814. Effective with the June 30, 2008 actuarial valuation, PERS requires retirement plans with less than 100 active members be included in risk pools. These risk pools are cost-sharing multiple-employer defined benefit retirement plans that pool the risk of all participating members. Both the Town's Miscellaneous and Safety retirement plans are included in these risk pools.

Funding Policy. Active plan members are required by State statute to contribute 7.0% for miscellaneous employees and 9% for safety employees of their annual covered salary. The Town employer makes the contributions required of Town employees on their behalf and for their account, which amounted to \$180,068 for the year ended June 30, 2011. The Town was required to contribute at an actuarial determined rate of 10.119% of the annual covered payroll for miscellaneous employees and 29.007% of the annual covered payroll for safety employees. The contribution rate is established annually and may be amended by CalPERS.

Included in the employer contribution rates are the amortization of Side Funds, which were created to account for the difference between the funded status of the pool and the funded status of the Town plans at the time of joining the risk pool. As of June 30, 2011, the estimated balance of the Side Fund for the miscellaneous plan was approximately \$103,324 and for the safety plan the balance was approximately \$1,482,229. The Side Funds have a remaining amortization period of 10 years as of June 30, 2011.

Annual Pension Cost. For fiscal year 2010-2011, the Town of Ross's annual pension cost was \$699,719 and was equal to the Town's required and actual contributions. The required contribution for fiscal year 2010-2011 was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: (a) 7.75 percent investment rate of return (net of administrative expenses); and (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for both miscellaneous and safety employees depending on age, service, and type of employment. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smoothen the effect of short-term volatility in the market value of investments over a three year period.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 615,752	100%	\$ -
6/30/2010	712,709	100%	-
6/30/2011	699,719	100%	-

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Town is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the Town that the outcome will have no materially adverse effect on the financial position of the Town.

The Town may receive State and Federal funds for specific purposes that are subject to review by the grantor agencies. Such audits could generate expenditure disallowances under the terms of the grants. It is believed that any required reimbursements would not be material.

NOTE 8 – FUND BALANCES

As described in Note 2, the Town of Ross implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Town Council, highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by Town Council.

Assigned – includes amounts that the Town of Ross intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 8 – FUND BALANCES (Continued)

Fund balances are composed of the following elements:

	General Fund	Drainage Fund	Roadway Fund	Non-Major Governmental Funds	Total
Nonspendable	\$ 25	\$ -	\$ -	\$ -	\$ 25
Restricted					
Asset Forfeiture	34,427	-	-	-	34,427
Grants for Safety	-	-	-	96,249	96,249
Streets and Roadway Projects and Related Drainage Projects and Related	-	-	586,490	159,766	746,255
Law Enforcement Equipment	-	511,353	-	-	511,353
Capital Improvements, Inspection Services and Related	-	-	-	7,111	7,111
General Plan Compliance Costs	-	-	-	281,776	281,775
Total Restricted	34,427	511,353	586,490	554,657	1,686,925
Committed					
Legal Defense	184,806	-	-	-	184,806
Total Committed	184,806	-	-	-	184,806
Assigned					
Capital Projects/Equip. Replacement	-	-	-	694,856	694,856
Total Assigned	-	-	-	694,856	694,856
Unassigned					
For economic uncertainties	1,500,000	-	-	-	1,500,000
For Fund deficit	28,441	-	-	(28,440)	-
For Facilities	1,372,385	-	-	-	1,372,385
Remaining unassigned	1,555,262	-	-	-	1,555,262
Total Unassigned	4,456,088	-	-	(28,440)	4,427,647
Total	\$4,675,346	\$511,353	\$586,490	\$1,221,073	\$6,994,262

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town policy is to first apply restricted funds to projects or programs that meet the criteria of the funds purpose and to supplement with unrestricted committed, assigned or unassigned funds as needed.

Minimum Fund Balance Policy

The town establishes an emergency reserve in the General Fund for economic uncertainties in order to protect the town against revenue shortfalls or unpredicted one-time expenditures. The reserve consists of unassigned amounts in the General Fund to cover at least three months of operational expenditures.

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 9 – 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; injuries to employees; and natural disasters. The Town has joined together with other government agencies in the Association of Bay Area Government (ABAG), a public entity risk pool currently operating as a common risk management and insurance program for the members. The Town pays an annual premium to ABAG for its general comprehensive liability insurance. The Agreement provides that ABAG will be self-sustaining through member premiums and assessments. ABAG is governed by a Board consisting of elected officials. The Board controls the operations of ABAG including selection of management and approval of operating budgets, independent of any influence by member cities.

Audited and condensed financial information for ABAG is presented below for the year ended June 30, 2010, most recent statement available:

Total assets	\$ 50,436,628
Total liabilities	18,640,521
Net assets	31,796,107
Total revenues	11,285,711
Total expenses	10,844,577
Change in net assets	441,134

Audited financial information for each risk pool may be obtained from ABAG at P.O. Box 2089, Oakland, California 94604-2089

The Town maintains General and Auto Liability coverage through ABAG up to a limit of \$5 million, except for Employee Benefit Plan Administrative Liability which has a limit of \$250,000. Excess liability insurance is provided through ABAG for an additional \$10 million, which is provided by Insurance Company of the State of Pennsylvania and additional \$10 million provided by Lexington Insurance Company, for a total coverage of \$20 million. The Town's deductible for this coverage is \$25,000.

The Town maintains Property Insurance coverage through ABAG to cover losses above \$100,000. The Town has a deductible of \$5,000 for property and \$5,000 for vehicles.

NOTE 10 – ACCRUED COMPENSATED ABSENCES

Compensated absences include vacation, compensatory, and sick time. Accrued and unpaid compensated absences are recorded as a liability on the Statement of Net Assets and on the Governmental Funds Statement and are expensed when paid. The outstanding balance at June 30, 2011 was \$472,045 which reflects a net decrease of \$222,452 over the prior year.

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 11 – PARTICIPATION IN JOINT POWERS AGREEMENTS

The Town of Ross is a Board Member of the Marin Emergency Radio Authority (MERA), a public agency consisting of Marin County, all cities and towns within Marin County, as well as fire districts and other special districts. MERA was founded in February 1997 to develop a proposal for a county-wide regional communications system to replace the existing inoperable and obsolete system with a state-of-the-art digital emergency communications system. As a participant in this JPA and a user of the new system, Town of Ross makes an annual contribution to MERA to help fund the cost of this county-wide system. The contribution for the current year was \$14,162 for operating expenses and \$17,160 for bond and bank note payments.

NOTE 12 – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: The Town’s single employer defined benefit postemployment healthcare plan provides health care benefits to eligible retirees in accordance with a Board resolution. Eligible employees retiring at or after age 50 with a minimum of 5 years of CalPERS service or disability may opt to continue health care coverage, with a portion of the monthly premium paid for by the Town. Coverage discontinues either at the request of the retiree or by defaulting on the employee portion of the premium.

The Town contracts with CalPERS to administer its retiree health benefit plan. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees’ Retirement Law. The Town chooses among the menu of benefit provisions and adopts certain benefit provisions by Board resolution.

Funding Policy: The Town’s annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal annual costs each year and amortize any unfunded actuarial liabilities (UAAL) (or funding excess) over a period not to exceed 30 years on a closed basis. The current ARC is \$64,000. The plan members receiving benefits currently don’t make any contributions.

Annual OPEB Cost and Net OPEB Asset/Obligation: The Town’s annual OPEB cost (expense) is calculated based on the ARC. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB asset/obligation to the Plan:

Net OPEB obligation, beginning of year	\$	55,000
Interest (at 4%) on net OPEB obligation		2,200
Adjustment to OPEB obligation, beginning of year		<u>57,200</u>
Annual OPEB cost (expense)		64,000
Contributions made		<u>(10,000)</u>
Net OPEB obligation, end of year	\$	<u><u>111,200</u></u>

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 12 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Funded Status and Funding Progress: The schedule of funding progress and funded status of the plan as of June 30, 2011 is as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Actual Employer</u> <u>Contributions</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation (Asset)</u>
6/30/2010	\$ 61,000	\$ 6,000	10%	\$ 55,000
6/30/2011	64,000	10,000	16%	111,200

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment. Annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to the point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions and methods:

Amortization method	Level percentage of payroll
Amortization period	30 years
Investment rate of return	4.25%
Salary Increase	3.25%
Inflation	3.00%
PERS Minimum Employer Contribution	4.50%

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2012, the date which the financial statements were available to be issued.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

TOWN OF ROSS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The Town of Ross has implemented the provisions of this statement for the year ended June 30, 2011. Please refer to Note 8 for more information.

In November 2010, the GASB issued GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. This Statement also requires disclosures about an SCA including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The Town will be required to implement the provisions of this Statement in fiscal year ending June 30, 2013, and does not believe it will have a significant impact on the financial statements.

In November 2010, the GASB issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity by clarifying the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The Town will be required to implement the provisions of this Statement in fiscal year ending June 30, 2013, and does not believe it will have a significant impact on the financial statements.

In December 2010, the GASB issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The Town will be required to implement the provisions of this Statement in fiscal year ending June 30, 2013, and is currently evaluating the impact on the financial statements.

TOWN OF ROSS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The Town will be required to implement the provisions of this Statement in fiscal year ending June 30, 2013, and is currently evaluating the impact on the financial statements.

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. Earlier application is encouraged. The Town will be required to implement the provisions of this Statement in fiscal year ending June 30, 2012, and is currently evaluating the impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ROSS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (UNAUDITED) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,822,774	\$ 3,822,774	\$ 3,994,843	\$ 172,069
Intergovernmental	269,291	269,291	270,820	1,529
Licenses and permits	374,700	374,700	210,314	(164,386)
Revenue from use of money and property	315,000	315,000	366,315	51,315
Charges for services	456,950	456,950	362,283	(94,667)
Fines and penalties	9,000	9,000	7,717	(1,283)
Miscellaneous	90,500	90,500	112,341	21,841
Total Revenues	<u>5,338,215</u>	<u>5,338,215</u>	<u>5,324,633</u>	<u>(13,582)</u>
EXPENDITURES				
Current:				
General government	742,506	742,506	969,291	(226,785)
Public safety	3,393,434	3,393,434	3,549,988	(156,554)
Public works	880,380	880,380	862,130	18,250
Capital outlay	300,090	300,090	312,682	(12,592)
Total Expenditures	<u>5,316,410</u>	<u>5,316,410</u>	<u>5,694,091</u>	<u>(377,681)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,805</u>	<u>21,805</u>	<u>(369,458)</u>	<u>(391,263)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(40,708)	(40,708)	(40,708)	-
Total Other Financing Sources (Uses)	<u>(40,708)</u>	<u>(40,708)</u>	<u>(40,708)</u>	<u>-</u>
Net Change in Fund Balance	(18,903)	(18,903)	(410,166)	(391,263)
Fund Balance, Beginning of Year	<u>5,085,512</u>	<u>5,085,512</u>	<u>5,085,512</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,066,609</u>	<u>\$ 5,066,609</u>	<u>\$ 4,675,346</u>	<u>\$ (391,263)</u>

TOWN OF ROSS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (UNAUDITED) AND ACTUAL
DRAINAGE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 1,575,011	\$ 75,011
Licenses and permits	75,000	75,000	160,898	85,898
Revenue from use of money and property	-	-	1,072	1,072
Total Revenues	<u>1,575,000</u>	<u>1,575,000</u>	<u>1,736,981</u>	<u>161,981</u>
EXPENDITURES				
Current:				
Public works	<u>2,155,915</u>	<u>2,155,915</u>	<u>1,858,846</u>	<u>297,069</u>
Total Expenditures	<u>2,155,915</u>	<u>2,155,915</u>	<u>1,858,846</u>	<u>297,069</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(580,915)</u>	<u>(580,915)</u>	<u>(121,865)</u>	<u>459,050</u>
Net Change in Fund Balance	(580,915)	(580,915)	(121,865)	459,050
Fund Balance, Beginning of Year	<u>633,218</u>	<u>633,218</u>	<u>633,218</u>	-
Fund Balance, End of Year	<u>\$ 52,303</u>	<u>\$ 52,303</u>	<u>\$ 511,353</u>	<u>\$ 459,050</u>

TOWN OF ROSS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (UNAUDITED) AND ACTUAL
ROADWAY FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 226,000	\$ 226,000	\$ 336,920	\$ 110,920
Licenses and permits	75,000	75,000	162,912	87,912
Revenue from use of money and property	-	-	345	345
Total Revenues	<u>301,000</u>	<u>301,000</u>	<u>500,177</u>	<u>199,177</u>
EXPENDITURES				
Current:				
Public works	<u>743,232</u>	<u>743,232</u>	<u>503,582</u>	<u>239,650</u>
Total Expenditures	<u>743,232</u>	<u>743,232</u>	<u>503,582</u>	<u>239,650</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(442,232)</u>	<u>(442,232)</u>	<u>(3,405)</u>	<u>438,827</u>
Net Change in Fund Balance	(442,232)	(442,232)	(3,405)	438,827
Fund Balance, Beginning of Year	<u>589,895</u>	<u>589,895</u>	<u>589,895</u>	-
Fund Balance, End of Year	<u>\$ 147,663</u>	<u>\$ 147,663</u>	<u>\$ 586,490</u>	<u>\$ 438,827</u>

TOWN OF ROSS

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unprojected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/09	\$0	\$417,000	\$ 417,000	0%	\$ 2,220,000	18.78%

SUPPLEMENTARY INFORMATION

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011**

	Special Revenue			
	Gas Tax	Park Fund	General Plan Update Fund	Building Permit Excess Reserve Fund
ASSETS				
Cash and investments	\$ 186,335	\$ (28,314)	\$ 10,990	\$ 281,459
Accounts receivables	8,457	-	-	317
Total Assets	<u>\$ 194,792</u>	<u>\$ (28,314)</u>	<u>\$ 10,990</u>	<u>\$ 281,776</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 35,026	\$ 126	\$ 1,235	\$ -
Total Liabilities	<u>35,026</u>	<u>126</u>	<u>1,235</u>	<u>-</u>
FUND BALANCES				
Restricted	159,766	-	9,755	281,776
Assigned	-	-	-	-
Unassigned	-	(28,440)	-	-
Total Fund Balances	<u>159,766</u>	<u>(28,440)</u>	<u>9,755</u>	<u>281,776</u>
Total Liabilities and Fund Balances	<u>\$ 194,792</u>	<u>\$ (28,314)</u>	<u>\$ 10,990</u>	<u>\$ 281,776</u>

Special Revenue		Capital Project	Total
Certificated			Non-major
Law Enforcement	Citizens	Equipment	Governmental
Executive Program	Option for	Replacement	Funds
Fund	Public Safety	Fund	
\$ 8,748	\$ 71,249	\$ 694,190	\$ 1,224,657
13	25,000	666	34,453
<u>\$ 8,761</u>	<u>\$ 96,249</u>	<u>\$ 694,856</u>	<u>\$ 1,259,110</u>
\$ 1,650	\$ -	\$ -	\$ 38,037
<u>1,650</u>	<u>-</u>	<u>-</u>	<u>38,037</u>
7,111	96,249	-	554,657
-	-	694,856	694,856
-	-	-	(28,440)
<u>7,111</u>	<u>96,249</u>	<u>694,856</u>	<u>1,221,073</u>
<u>\$ 8,761</u>	<u>\$ 96,249</u>	<u>\$ 694,856</u>	<u>\$ 1,259,110</u>

TOWN OF ROSS

**NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue			
	Gas Tax Fund	Park Fund	General Plan Update Fund	Building Permit Excess Reserve Fund
REVENUES				
Intergovernmental	\$ 77,915	\$226,364	\$ -	\$ -
Licenses and permits	-	-	31,264	-
Revenue from use of money and property	-	-	-	1,517
Miscellaneous	-	-	-	-
Total Revenues	77,915	226,364	31,264	1,517
EXPENDITURES				
Current:				
General government	-	268,428	-	11,884
Public safety	-	-	-	-
Public works	37,692	-	21,181	-
Total Expenditures	37,692	268,428	21,181	11,884
Excess (Deficiency) of Revenues Over Expenditures	40,223	(42,064)	10,083	(10,367)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	40,223	(42,064)	10,083	(10,367)
Fund Balances, Beginning of Year	119,543	13,624	(328)	292,143
Fund Balances, End of Year	\$ 159,766	\$ (28,440)	\$ 9,755	\$ 281,776

Special Revenue		Capital Project		Total
Certificated Law Enforcement Executive Program Fund	Citizens Option for Public Safety	Equipment Replacement Fund	Non-major Governmental Funds	
\$ -	\$ 110,854	\$ -	\$ 415,133	
-	-	-	31,264	
60	-	3,173	4,750	
-	-	-	-	
60	110,854	3,173	451,147	
-	-	-	280,312	
12,541	81,277	-	93,818	
-	-	-	58,873	
12,541	81,277	-	433,003	
(12,481)	29,577	3,173	18,144	
-	-	40,708	40,708	
-	-	-	-	
-	-	40,708	40,708	
(12,481)	29,577	43,881	58,852	
19,592	66,672	650,975	1,162,221	
\$ 7,111	\$ 96,249	\$ 694,856	\$ 1,221,073	