



Agenda Item No. 6f.

Staff Report

Date: March 14, 2024

To: Elizabeth Brekhus and Council Members

From: Christa Johnson, Town Manager

Subject: Annual Financial Report for the Year Ended June 30, 2023

Recommendation

It is recommended that the Town Council approve the Town of Ross Draft Annual Financial Report for the Year Ended June 30, 2023 with no findings.

Background and discussion

Each year the Town engages an independent auditor to prepare an audit of the Town financial statements. The firm of Eide Bailly LLP completed the audit with Ahmad Gharaibeh, the partner in charge, for the sixth year.

Government Code section 12410.6.(b) indicates that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. Accordingly, staff plans to request that a different partner at Eide Bailly, LLP be in charge of the audit for fiscal year ending June 30, 2024.

Please note that the policy of the audit firm is now to have the Town Council approve the audit before the audit opinion is signed. Following the Town Council approval, the signed audit opinion will be released.

In summary, the auditor found the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with generally accepted accounting principles. The audit was “clean” with no findings.

The audit presents two different viewpoints of the Town's finances. The Government-Wide Financial Statements provide a long-term view of the Town's finances as a whole and includes the accounting for long-term capital assets and liabilities including pension obligations similar to an accounting basis used by private companies. The second view is the Fund Financial Statements which focuses on the near-term inflows and outflows of spendable resources on which the budget is based. Both views in the audit present positive positions for the Town.

Fiscal, resource and timeline impacts

Completion of the audit is necessary to comply with generally accepted practices for local municipal agencies. The audit provides assurance that public resources are properly used and recorded.

The audited Fund Financial Statements show total Town revenues of \$11.4 million and total expenditures of \$9.9 million for the year ended June 30, 2023. The total fund balance of \$18.4 million is \$1.5 million more than the prior fiscal year.

Alternative actions

None

Environmental review (if applicable)

N/A

Attachment

- Town of Ross Annual Financial Report for the Year Ended June 30, 2023

Financial Statements
June 30, 2023
Town of Ross

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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
of the Town of Ross
Ross, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ross, California (Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ross, California, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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.

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 Town'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 GAAS and *Government 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 GAAS and *Government 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 Town'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 Town'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of revenues, expenditures and changes in fund balances – budget and actual for the general fund, schedule of revenues, expenditures and changes in fund balances – budget and actual for the drainage fund and roadway fund, schedule of proportionate share of the net pension liability, schedule of contributions, schedule of changes in the net OPEB liability and related ratios and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The combining nonmajor fund information and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor fund information and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [Report Date], on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control over financial reporting and compliance.

[Date]

Introduction

The following provides a narrative overview and analysis of the fiscal operations during the fiscal year ended June 30, 2023 for the Town of Ross. The Management Discussion and Analysis is to be read in conjunction with the Town's financial statements.

Fiscal Year 2022-2023 Financial Highlights

The Fund Financial Statements shows total Town revenues of \$11.4 million and total expenditures of \$9.8 million. The total fund balance of \$18.4 million is \$1.5 million more than last year.

The government-wide statement of net position, the first statement of the basic financial statements, shows the Town's assets of \$30.0 million, deferred outflows of resources of \$3.6 million, liabilities of \$7.1 million, deferred inflows of resources of \$1.1 million, and a net position of \$25.4 million. Net position is \$0.7 million less than the prior year primarily because of an increase in pension expense because the actual one-year annual rate of return on pension plan investments needed to fund future benefits was a negative 7.5% when the plan expects a positive rate of return of 6.8%.

In November 2016 the residents of Ross approved Measure K, which extends the parcel tax eight years until June 30, 2025 at a rate of \$970 per parcel with annual cost of living adjustments. In fiscal year ended June 30, 2023 the rate was \$1,141.

Capital project and one-time expense highlights: The Town contributed \$200,000 for the acquisition of Bald Hill Open Space. At the June 2023 Town Council meeting, the Council adopted the Town of Ross Facilities Master Plan which calls for the replacement and renovation of the Town's aging and outdated facilities including police and paramedic facilities, but not fire. The Ross Common restoration project was completed. Fernhill Avenue was repaved. Work continues on the Laurel Grove Safe Pathway project, Winship Bridge replacement, and the storm drain master plan. At the May 2023 Town Council meeting, the Council adopted the updated Housing Element of the General Plan in accordance with the requirements of State law.

The Town continues to pay down the unfunded pension liability over and above what is required. In fiscal year ended June 30, 2023 this discretionary payment was \$200,000.

Overview of the Financial Statements

The financial statements are presented in four parts:

- Management's discussion and analysis.
- The basic financial statements, which include the government-wide and fund financial statements along with the notes to the financial statements.
- Required supplementary information.
- Other supplementary information.

The Basic Financial Statements are comprised of Government-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.

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

All of the Town's basic services are considered to be governmental activities, including general government, planning and building, public safety, public works, and recreation. These services are supported by charges for services and general Town revenues such as taxes, investment income, and rental revenue.

All of the Town's activities are required to be grouped into governmental activities. The Town has no business-type activities as of June 30, 2023.

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. Unlike the government-wide financial statements, 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.

Fund financial statements measure only current revenue and expenditures on the modified accrual basis, which means they measure only current financial resources and uses. 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 activities of non-major funds are presented in summary, with supplementary schedules presenting the detail for each of these funds. Major funds are explained in Note 1.

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.

Required Supplementary Information follows the basic financial statements and includes budgetary comparison schedules for major funds, schedule retiree health benefits contributions and changes in that liability, a schedule of proportionate share of the net pension liability, and a schedule of pension contributions.

Supplementary Information follows the required supplementary information which includes the combining and individual fund statements and schedules that provide information on non-major governmental funds.

Government-Wide Financial Analysis

The Town has presented its financial statements in accordance with the Governmental Accounting Standards Board (GASB) Statements for accounting and financial reporting for State and local governments and include the basic financial statements and management's discussion and analysis. Comparative financial information is provided in Tables 1 and 2.

Table 1
Condensed Statement of Net Position

	June 30, 2023	June 30, 2022	Net change	% Change
Assets				
Cash and investments	\$ 19,634,159	\$ 18,367,859	\$ 1,266,300	6.89%
Receivables	946,289	875,937	70,352	8.03%
Deposits and prepaid items	231,067	264,785	(33,718)	100.00%
Net OPEB asset	108,857	231,694	(122,837)	-53.02%
Capital assets, net	9,066,906	9,080,702	(13,796)	-0.15%
Total assets	<u>29,987,278</u>	<u>28,820,977</u>	<u>1,166,301</u>	4.05%
Deferred Outflows of Resources				
Related to pensions and OPEB	<u>3,617,273</u>	<u>1,162,032</u>	<u>2,455,241</u>	211.29%
Liabilities				
Accounts payable	276,690	231,946	44,744	19.29%
Accrued and other liabilities	53,649	126,448	(72,799)	-57.57%
Prepaid fees	28,325	28,325	-	0.00%
Permit deposits payable	1,344,273	1,640,796	(296,523)	-18.07%
Unearned revenue	216,030	135,144	80,886	59.85%
Accrued compensated absences	269,510	240,563	28,947	12.03%
Lease liability				
Due within one year	620	590	30	5.08%
Due in more than one year	186,986	187,606	(620)	-0.33%
Net pension liability	<u>4,706,494</u>	<u>344,253</u>	<u>4,362,241</u>	1267.16%
Total liabilities	<u>7,082,577</u>	<u>2,935,671</u>	<u>4,146,906</u>	141.26%
Deferred Inflows of Resources				
Related to pensions and OPEB	<u>1,124,847</u>	<u>916,296</u>	<u>208,551</u>	22.76%
Net Position				
Net investment in capital assets	8,879,300	8,892,506	(13,206)	-0.15%
Restricted	2,924,101	2,932,955	(8,854)	-0.30%
Unrestricted	<u>13,593,726</u>	<u>14,305,581</u>	<u>(711,855)</u>	-4.98%
Total Net Position	<u>\$ 25,397,127</u>	<u>\$ 26,131,042</u>	<u>\$ (733,915)</u>	-2.81%

Table 2
Condensed Statement of Activities

	Fiscal Year Ended		Net change	% Change
	June 30, 2023	June 30, 2022		
Revenues				
Program Revenues				
Charge for services	\$ 2,123,998	\$2,258,654	\$ (134,656)	-5.96%
Operating and capital contributions	965,271	1,851,876	(886,605)	-47.88%
General Revenues				
Property taxes	5,811,629	5,433,120	378,509	6.97%
Public safety tax	953,343	906,471	46,872	5.17%
Other taxes	352,045	443,245	(91,200)	-20.58%
Gain on sale of capital assets	5,311	5,397	(86)	-1.59%
Investment earnings	353,585	304,209	49,376	16.23%
Other	834,908	173,120	661,788	382.27%
Total Revenues	<u>11,400,090</u>	<u>\$11,376,092</u>	<u>23,998</u>	0.21%
Expenses				
General Government	1,632,912	215,347	1,417,565	658.27%
Planning/building	1,513,052	918,285	594,767	64.77%
Public safety	4,946,943	2,617,222	2,329,721	89.02%
Public works	2,885,579	1,083,195	1,802,384	166.40%
Recreation	1,145,519	587,944	557,575	94.83%
Interest on long-term debt	10,000	9,438	562	5.95%
Total Expenses	<u>12,134,005</u>	<u>5,431,431</u>	<u>6,702,574</u>	123.40%
Change in Net Position	(733,915)	5,944,661	(6,678,576)	-112.35%
Net Position Beginning of Year	<u>26,131,042</u>	<u>20,186,381</u>	<u>5,944,661</u>	29.45%
Net Position End of Year	<u>\$ 25,397,127</u>	<u>\$ 26,131,042</u>	<u>\$ (733,915)</u>	-2.81%

Net position decreased by \$0.7 million in the current year. Revenues increased by \$0.02 million over the prior year. Expenses increased by \$6.7 million over the prior year primarily due to pension adjustments as a result of CalPERS investment rate of return, a negative 7.5%, which underperformed the expected rate of return of 6.8%.

Governmental Funds – Major Funds Highlights

General Fund Highlights

General Fund Revenues for the year ended June 30, 2023 increased by \$0.4 million over the prior year. Property taxes were up \$288,000. Intergovernmental revenue decreased \$154,000 with no grants received related to the pandemic. Interest from investments was \$312,000 higher than the prior year due to an increase in interest rates.

General Fund Expenditures for the year ended June 30, 2023 increased \$1,100,000.

General Government increased \$309,000 or 28% primarily due to expenditures for the contribution of funds to purchase Bald Hill Open Space and for costs to develop a master plan for the future rebuilding of the Town civic center campus.

Public Safety increased \$295,000 or 7% from the prior year primarily due to an increase in wildfire prevention efforts and staffing changes.

Planning/Building/Public Works increased \$236,000 or 24% primarily because of an increase in the cost of consultants for the housing element update.

Recreation expenditures increased \$164,000 or 26% with more classes and programs returning to pre-pandemic levels.

Capital expenditures were \$236,000. Capital projects included the restoration of Ross Common along with a new drinking fountain and new computer equipment.

Drainage Fund Highlights

Drainage Fund revenues decreased by \$96,000 or 38% from the prior fiscal year. Expenditures of \$226,000 included various drainage repairs and improvements and continued work on the Storm Drain Master Plan. Winship Bridge is expected to receive construction funding in 2025 or 2026.

Roadway Fund Highlights

Roadway Fund revenues decreased \$154,000 or 33% from the prior fiscal year. Expenditures of \$254,000 include the repaving of Fernhill Avenue and continued work on the Laurel Grove Safe Pathway project.

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 of \$9.8 million are over budget by \$0.9 million with the largest variance from an increase in investment income due to higher interest rates.

Actual expenditures of 9.2 million are under budget by \$0.9 million. General Government and Public Safety are under budget primarily due to unfilled positions. Public Works is under budget primarily due to the deferral of projects to fiscal year 2024. Capital projects are under budget primarily due to lower costs than expected for the Ross Common Restoration project.

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2023 is \$8.9 million. This figure does not include the Town's 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 are recorded and accounted for. Additional detail on capital assets can be found in Note 4 to these financial statements.

Long-Term Obligations

The Town's obligations consist of a lease in the amount of \$188,000, accrued compensated absences in the amount of \$270,000, and a net pension liability of \$4,706,000. Additional information on long-term debt, pension, compensated absences, and OPEB can be found in Notes 5, 6, 10, and 12 to these financial statements, respectively.

Economic Outlook and Next Year's Budget

The General Government property tax revenues for fiscal year ending June 30, 2024 are anticipated to be 4% higher than the prior year. Total General Fund revenues excluding one-time grants are estimated to be similar to the prior year.

The police Memorandum of Understanding (MOU) approved in July 2022 is effective from July 1, 2022 through June 30, 2025. The MOU calls for annual wage increases of 3.8% each year.

In November 2016 the residents of Ross approved Measure K which extends the Public Safety parcel tax eight years until June 30, 2025 at a rate of \$970 per parcel with annual cost of living adjustments. The rate set for fiscal year ending June 30, 2024 is \$1,201 per parcel.

CalPERS has reported a preliminary 5.8% investment gain for the fiscal year ended June 30, 2023 which is less than the expected rate of 6.8%. This will negatively affect employer contribution rates and pension expense in future years.

The Ross Valley Fire Department JPA agreement was amended on January 1, 2022 to provide for the closure of the Ross Fire Station in July 2025 and to allocate JPA resources, savings, and costs attributable to the Ross Fire Station closure. In addition, the Council voted in November 2023 to increase the staffing on engines from two to three which will increase future costs.

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 Christa Johnson, Town Manager, Town of Ross, P.O. Box 320, Ross, CA 94957.

Town of Ross
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and investments	\$ 18,210,390
Restricted assets - cash and investments	1,423,769
Accounts receivable	502,796
Interest receivable	142,528
Leases receivable	300,965
Notes receivable	231,067
Net OPEB asset	108,857
Capital assets not being depreciated	1,177,535
Capital assets, net of accumulated depreciation/amortization	7,889,371
Total assets	29,987,278
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	3,534,717
Deferred outflows of resources related to OPEB	82,556
Total deferred outflows of resources	3,617,273
Liabilities	
Accounts payable	276,690
Accrued and other liabilities	53,649
Prepaid fees	28,325
Deposits payable from restricted assets	1,344,273
Unearned revenue	216,030
Accrued compensated absences	
Due within one fiscal year	89,837
Due in more than one fiscal year	179,673
Lease payable to Ross School	
Due within one fiscal year	620
Due in more than one fiscal year	186,986
Net pension liability	4,706,494
Total liabilities	7,082,577
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	836,956
Deferred inflows of resources related to OPEB	5,953
Deferred inflows of resources related to lease	281,938
Total deferred inflows of resources	1,124,847
Net Position	
Net investment in capital assets	8,879,300
Restricted for	
Drainage projects	1,321,242
Highways and streets (roadway and gas tax)	1,153,380
General plan	287,856
Other restricted	161,623
Unrestricted	13,593,726
Total Net Position	\$ 25,397,127

Town of Ross
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total Governmental Activities
Governmental Activities					
General government	\$ 1,632,912	\$ 64,953	\$ -	\$ -	\$ (1,567,959)
Planning/building	1,513,052	1,243,417	-	116,726	(152,909)
Public safety	4,946,943	322	244,642	-	(4,701,979)
Public works	2,885,579	18,352	211,303	392,600	(2,263,324)
Recreation	1,145,519	796,954	-	-	(348,565)
Interest on long-term debt	10,000	-	-	-	(10,000)
Total Governmental Activities	\$ 12,134,005	\$ 2,123,998	\$ 455,945	\$ 509,326	(9,044,736)
General Revenues					
Taxes					
Property tax					5,811,629
Public safety tax					953,343
Sales tax					72,354
Franchise tax					231,038
Real property transfer tax					48,653
Investment earnings					353,585
Gain on sale of capital assets					5,311
Other revenue					834,908
Total general revenues					8,310,821
Change in Net Position					(733,915)
Net Position, Beginning of Year					26,131,042
Net Position, End of Year					\$ 25,397,127

Town of Ross
Balance Sheet - Governmental Funds
June 30, 2023

	General	Drainage	Roadway	Non-Major Governmental Funds	Totals
Assets					
Cash and investments	\$ 15,626,733	\$ 1,346,845	\$ 872,479	\$ 364,333	\$ 18,210,390
Restricted cash and investments	1,349,079	-	-	-	1,349,079
Accounts receivables	305,555	-	182,534	14,707	502,796
Interest receivables	122,197	10,606	6,857	2,868	142,528
Leases receivable	300,965	-	-	-	300,965
Note receivable	231,067	-	-	-	231,067
Investments in Section 115 Trust	74,690	-	-	-	74,690
Total assets	\$ 18,010,286	\$ 1,357,451	\$ 1,061,870	\$ 381,908	\$ 20,811,515
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 237,939	\$ 36,209	\$ 2,542	\$ -	\$ 276,690
Accrued and other liabilities	53,649	-	-	-	53,649
Prepaid fees	28,325	-	-	-	28,325
Deposits payable	1,344,273	-	-	-	1,344,273
Unearned revenue	216,030	-	-	-	216,030
Total liabilities	1,880,216	36,209	2,542	-	1,918,967
Deferred Inflows of Resources					
Lease related	281,938	-	-	-	281,938
Note related	213,898	-	-	-	213,898
Total deferred inflows of resources	495,836	-	-	-	495,836
Fund Balances					
Nonspendable	19,027	-	-	-	19,027
Restricted	161,623	1,321,242	1,059,328	381,908	2,924,101
Assigned	8,956,365	-	-	-	8,956,365
Unassigned	6,497,219	-	-	-	6,497,219
Total fund balances	15,634,234	1,321,242	1,059,328	381,908	18,396,712
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,010,286	\$ 1,357,451	\$ 1,061,870	\$ 381,908	\$ 20,811,515

Town of Ross
 Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds
 June 30, 2023

Amounts reported for governmental activities in the statement of net position were different because:

Fund balances - total governmental funds		\$ 18,396,712
Capital assets and right-to-use leased assets of governmental activities are not financial resources and therefore are not reported in the governmental funds.		9,066,906
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.		(269,510)
Unavailable revenues are unavailable under the current resource measurement but are available under the economic resource measurement		213,898
Net other postemployment benefits assets are considered a long-term asset and therefore are not reported on the governmental funds balance sheets.		108,857
Certain liabilities and deferred inflows and outflows of resources are not due and payable or realizable in the current period and therefore are not reported in the governmental funds.		
Lease	(187,606)	
Net pension liability	(4,706,494)	
Deferred outflows due to pension liabilities and OPEB	3,617,273	
Deferred inflows due to pension liabilities and OPEB	(842,909)	
	(2,119,736)	(2,119,736)
Net Position of Governmental Activities		\$ 25,397,127

Town of Ross

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General	Drainage	Roadway	Non-Major Governmental Funds	Total
Revenues					
Taxes	\$ 6,202,622	\$ -	\$ -	\$ 953,343	\$ 7,155,965
Intergovernmental	678,818	-	169,727	116,726	965,271
Building/public works permits	892,156	121,908	121,908	79,991	1,215,963
Revenue from use of money and property	614,303	32,104	19,333	10,181	675,921
Charges for services	1,311,622	-	-	-	1,311,622
Fines and forfeitures	10,104	-	-	-	10,104
Miscellaneous	59,933	-	-	-	59,933
Total revenues	<u>9,769,558</u>	<u>154,012</u>	<u>310,968</u>	<u>1,160,241</u>	<u>11,394,779</u>
Expenditures					
Current					
General government	1,393,986	-	-	-	1,393,986
Planning/building	1,137,866	-	-	-	1,137,866
Public safety	4,643,576	-	-	-	4,643,576
Public works	1,025,663	225,892	7	35,997	1,287,559
Recreation	793,679	-	-	-	793,679
Capital outlay	235,612	-	253,657	96,114	585,383
Debt service					
Principal	717	-	-	-	717
Interest and fees	9,283	-	-	-	9,283
Total expenditures	<u>9,240,382</u>	<u>225,892</u>	<u>253,664</u>	<u>132,111</u>	<u>9,852,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>529,176</u>	<u>(71,880)</u>	<u>57,304</u>	<u>1,028,130</u>	<u>1,542,730</u>
Other Financing Sources (Uses)					
Transfers in	1,109,343	-	-	-	1,109,343
Sale of capital assets	5,311	-	-	-	5,311
Transfers out	-	-	-	(1,109,343)	(1,109,343)
Total other financing sources (uses)	<u>1,114,654</u>	<u>-</u>	<u>-</u>	<u>(1,109,343)</u>	<u>5,311</u>
Net Change in Fund Balances	1,643,830	(71,880)	57,304	(81,213)	1,548,041
Fund Balances, Beginning of Year	<u>13,990,404</u>	<u>1,393,122</u>	<u>1,002,024</u>	<u>463,121</u>	<u>16,848,671</u>
Fund Balances, End of Year	<u>\$ 15,634,234</u>	<u>\$ 1,321,242</u>	<u>\$ 1,059,328</u>	<u>\$ 381,908</u>	<u>\$ 18,396,712</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 1,548,041
<p>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 and amortization expenses are allocated to the appropriate functional expense when the cost is below the capitalization threshold.</p>		
Cost of assets capitalized	585,383	
Depreciation and amortization expenses	<u>(599,179)</u>	(13,796)
Unavailable revenues are unavailable under the current resource measurement but are available under the economic resource measurement		(34,131)
Capital lease payment is an expense on the statement of revenues, expenditures and changes in fund balance but do not impact the statement of activities.		590
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 position and are not included as an expense in the statement of activities.		(28,947)
Pension and 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.		<u>(2,205,672)</u>
Change in Net Position of Governmental Activities		<u>\$ (733,915)</u>

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

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, streets, public improvements, public works, building, planning and zoning, recreation, animal control services, and general administrative services. The Town provides fire protection services through a joint powers authority.

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.

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.

Basis of Accounting and Measurement Focus

Fund Financial Statements

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.

Government-Wide Financial Statements

The Town's government-wide financial statements include a statement of net position and a statement of activities. 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, deferred inflows and outflows of resources, including capital assets and infrastructure as well as long-term debt are included in the accompanying statement of net position. The statement of activities presents changes in net position. 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 is 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 the GASB with regard to interfund activities, payables, and receivables. Internal balances in the government-wide financial statements have been eliminated.

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 non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to net position presented in the government-wide financial statements. The Town has presented all major funds that meet the qualifications as defined by the GASB.

All governmental funds are accounted for on a spending or "current financial resources" 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 resources available, which is considered only to be a measure of available spendable resources. The statement of revenues, expenditures, and changes in fund balances presents 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 90-days after year-end, except for property taxes for which the accrual period is 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 and certain other long-term liabilities such as pension and compensated absences which are 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.

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 improvements, repair and modification.

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.

Capital Assets

The Town's assets are capitalized at historical cost or estimated historical cost. The Town's policy has set the capitalization threshold as follows:

Buildings and building improvements including right to use buildings	\$	25,000
Electronic equipment		1,000
Infrastructure		50,000
Land and land improvements		25,000
Machinery, equipment and vehicles		5,000
Computer software		5,000

Leased assets are capitalized using the present value of the future lease payments. Donated capital assets are valued at their estimated acquisition value on the date of contribution. 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 using mid-year convention. Department heads or their designees assign a useful life to all assets using the following general guidelines:

Buildings and building improvements	5-25 Years
Electronic equipment	3-5 Years
Infrastructure	10-50 Years
Land improvements	5-50 Years
Machinery, equipments and vehicles	3-10 Years
Pavement System	28 Years
Sidewalk, curb, and gutters	40 Years
Traffic signals	25 Years
Street lights	25 Years
Bridges	75 Years
Park improvements	25-40 Years
Sewer and storm drains	50 Years

In accordance with the generally accepted accounting principles, the Town has reported all capital assets including infrastructure on a prospective basis in the statement of net position. The Town elected to use the basic approach, whereby depreciation expense and accumulated depreciation has been recorded.

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.

Leases Receivable

The Town is lessor for noncancellable leases of Town property for a post office and wireless communications facilities. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription Based Information Technology Arrangements (SBITA)

At the commencement of a subscription based information technology arrangement (SBITA), the Town initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Lease Payable

The Town is a lessee for a noncancellable lease of the Ross Recreation office and community room. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Property Taxes

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

	Secured	Unsecured
Lien dates	January 1	January 1
Assessment dates	July 1	July 1
Due dates	50% on November 1 and February 1	July 1
Delinquent as of	December 10 and April 10	August 31

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 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.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and net other postemployment liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS website.

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 retires 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, up to a maximum of 45 days (360 hours).

Police Employees: Upon retirement, in good standing: 50% of unused sick leave, up to a maximum of 660 hours total.

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.

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.

All investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

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), federally insured deposits in commercial banks and savings and loan associations and money market funds.

The table below identifies the investment types that are authorized for the Town by the California Government Code. 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	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	N/A	None	None
Registered State Bonds, Notes	5 years	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
Federal Agency Securities	5 years	N/A	None	None
Banker's Acceptance	180 days	N/A	40%	30%
Commercial Paper	270 days	A1, P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	None
Repurchase Agreements	1 year	N/A	None	None
Reverse Repurchase Agreements	92 days	N/A	20% of base	None
Local Agency Investment Fund (LAIF)	N/A	N/A	None	None
Investment Trust of California (CalTRUST)	N/A	N/A	None	None
Passbook Savings Account Demand Deposits	N/A	N/A	None	None
Medium Term Corporate Notes	5 years	A	30%	N/A
Mortgage Pass-Through Securities	5 years	AA	20%	N/A
Mutual Funds	N/A	Top Ranking	20%	10%
Money Market Mutual Funds	N/A	Top Ranking	None	N/A

(a) Nationally Recognized Statistical Rating Organization.

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.

Note 2 - 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 investments as of June 30, 2023 is classified as follows in the accompanying financial statements:

Cash and investments	\$ 18,210,390
Section 115 Trust	\$ 74,690
Restricted cash and investments	<u>1,349,079</u>
 Total cash and investments	 <u><u>\$ 19,634,159</u></u>

Restricted cash and investments are restricted for payment of permit time completion deposits payable. Cash and cash equivalents as of June 30, 2023, consist of the following:

Cash	\$ 1,051,005
Section 115 Trust	74,690
Investments	<u>18,508,464</u>
 Total cash and investments	 <u><u>\$ 19,634,159</u></u>

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.

As of June 30, 2023, the Town's investments were in LAIF and PARS Section 115 in the amounts of \$18,508,464 and \$74,690, respectively. As of June 30, 2023, LAIF had a weighted average maturity of 260 days.

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 LAIF and PARS Section 115 investments are not rated.

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. The Town's investments are not exposed to the concentration risk because the investments are pooled with PARS Section 115 and LAIF which are diversified due to their nature.

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, 2023, the Town's bank balance of \$1,050,705 in two banks 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. The Town is not exposed to custodial credit risk.

Fair Value Measurements

The Town categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. These categories are Level 1 which are based quoted prices in active markets, Level 2 which are based on observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets and Level 3 which are based on unobservable inputs which uses the best information available under the circumstances, which might include the Town's own data.

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. The investments are not registered with the Securities and Exchange Commission. LAIF is not rated by the rating agencies. Investments in PARS Section 115 is categorized as Level 2.

Investments in LAIF is not measured using the input levels above because the Town's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share and therefore these investments are not categorized.

Note 3 - 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	\$ 1,109,343	\$ -
Non-Major Funds		
Public safety tax fund	-	953,343
General plan update fund	-	156,000
	\$ 1,109,343	\$ 1,109,343

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance *	Additions and Adjustments	Retirements and Adjustments	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 2	\$ -	\$ -	\$ 2
Construction in progress	1,160,608	87,421	(70,496)	1,177,533
Total capital assets, not being depreciated	<u>1,160,610</u>	<u>87,421</u>	<u>(70,496)</u>	<u>1,177,535</u>
Capital Assets, Being Depreciated				
Land improvements	10,235,249	527,585	-	10,762,834
Buildings	2,073,445	-	-	2,073,445
Furniture and fixtures	34,145	-	-	34,145
Office equipment	136,029	23,168	(16,596)	142,601
Safety equipment	51,274	-	-	51,274
Software	127,091	-	-	127,091
Street and park equipment	176,831	17,705	(15,320)	179,216
Vehicles	342,570	-	-	342,570
Right to Use - Ross Recreation Building lease - Ross School	188,758	-	-	188,758
Total capital assets, being depreciated	<u>13,365,392</u>	<u>568,458</u>	<u>(31,916)</u>	<u>13,901,934</u>
Less Accumulated Depreciation and Amortization for				
Land improvements	3,315,524	469,542	-	3,785,066
Buildings	1,449,592	49,380	-	1,498,972
Furniture and fixtures	34,145	-	-	34,145
Office equipment	118,367	11,109	(16,596)	112,880
Safety equipment	41,156	4,173	-	45,329
Software	113,826	13,265	-	127,091
Street and park equipment	107,676	13,851	(15,320)	106,207
Vehicles	261,814	34,659	-	296,473
Right to Use - Ross Recreation Building	3,200	3,200	-	6,400
Total accumulated depreciation	<u>5,445,300</u>	<u>599,179</u>	<u>(31,916)</u>	<u>6,012,563</u>
Total capital assets, being depreciated, net	<u>7,920,092</u>	<u>(30,721)</u>	<u>-</u>	<u>7,889,371</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 9,080,702</u></u>	<u><u>\$ 56,700</u></u>	<u><u>\$ (70,496)</u></u>	<u><u>\$ 9,066,906</u></u>

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

General government	\$ 13,785
Public safety	38,669
Planning	28,679
Public works	477,031
Recreation	41,015
 Total Depreciation Expense - Governmental Activities	 \$ 599,179

Note 5 - Leases

Leases Receivable

The Town has multiple lease contracts for lease of Town property for post office and wireless communications facilities. The leases expire between fiscal years 2023 through 2025. The discount rate is 2.54%. As of June 30, 2023 Town's receivable for lease payments was \$300,965. Also, the Town has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023 the balance of the deferred inflow of resources was \$281,938.

Lease Payable

The Town entered into a lease agreement which expires June 30, 2079 as lessee for the acquisition and use of Ross Recreation office and community room in the fiscal year ended June 30, 2022. As of June 30, 2023, the value of the lease liability was \$188,138. The Town is required to make annual principal and interest payments of \$10,000. The lease has an interest rate of 5%. The value of the right-to-use asset as of the end of the current fiscal year was \$188,758 and had accumulated amortization of \$6,400.

The future principal and interest lease payment, were as follows:

Year Ending June 30,	Principal	Interest	Lease Payments
2024	\$ 620	\$ 9,380	\$ 10,000
2025	651	9,349	10,000
2026	683	9,317	10,000
2027	717	9,283	10,000
2028	754	9,246	10,000
2029-2033	4,371	45,629	50,000
2034-2038	5,579	44,421	50,000
2039-2043	7,120	42,880	50,000
2044-2048	9,087	40,913	50,000
2049-2053	11,597	38,403	50,000
2054-2058	14,801	35,199	50,000
2059-2063	18,891	31,109	50,000
2064-2068	24,109	25,891	50,000
2069-2073	30,770	19,230	50,000
2074-2078	39,272	10,728	50,000
2079	18,584	1,406	20,000
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 187,606</u>	<u>\$ 382,384</u>	<u>\$ 570,000</u>

Note 6 - Pension Plan

The Town participates in the Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost Sharing) for its Miscellaneous and Safety employees which is administered by CalPERS. A cost-sharing multiple-employer defined benefit pension plan is a plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay benefits of the employees of any employer that provides pensions through the plan.

General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Town’s separate Safety and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information which can be found on the CalPERS website at: <http://www.calpers.ca.gov>.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service equal to one year of full time employment, age, and the average of the final 3 years’ compensation except Safety employees final average compensation is 1 year. Members with five years of total service are eligible to retire at age 50 (PEPRA employees age 52) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plans’ provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire Date	Miscellaneous			Safety	
	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Type of hire	Classic	Tier 2	PEPRA	Classic	PEPRA
Formula	2% @ 55	2% @ 60	2% @ 62	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Earliest retirement age	50	50	52	50	50
Required employee contribution rates	7.00%	7.00%	6.75%	9.00%	13.00%
Required employer contribution rates	10.34%	8.65%	7.59%	21.79% (3% of which is paid by safety employees)	13.13%

Contributions

Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Beginning in fiscal year 2015-2016, CalPERS collected employer contributions towards unfunded liability as a dollar amount instead of the prior method of a contribution rate. The pool’s unfunded liability is allocated to each individual plan based on the plan’s total liability rather than by plan individual payroll. This allows employers to track their own unfunded liability and pay it down faster if they choose.

For the year ended June 30, 2023, the actuarial determined contributions for each Plan were as follows:

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the Town’s reported net pension liabilities for its proportionate shares of the pension liability of each Plan are as follows:

	<u>Proportionate Share of Net Pension Liability (asset)</u>
Miscellaneous	\$ 922,181
Safety	<u>3,784,313</u>
Total net pension liability	<u><u>\$ 4,706,494</u></u>

The Town’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward using standard update procedures. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town’s proportionate share of the net pension liability for each Plan as of June 30, 2022 and 2023 is as follows:

	Safety	Miscellaneous
Proportion - June 30, 2022	-0.0100%	0.01524%
Proportion - June 30, 2023	0.0197%	0.05507%
Change - Increase (Decrease)	0.0297%	0.03984%

At the year ended June 30, 2023, the Town recognized pension expense of \$2,191,170 in the Government-wide financial statement. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 219,366	\$ -	\$ 579,615	\$ -	\$ 798,981	\$ -
Difference between actual and projected contributions	-	(115,009)	-	(668,449)	-	(783,458)
Changes in assumptions	94,497	-	381,573	-	476,070	-
Difference in expected and actual experience	18,519	(12,403)	156,619	(41,095)	175,138	(53,498)
Change in proportion	452,793	-	865,220	-	1,318,013	-
Net difference between projected and actual earnings	168,919	-	597,596	-	766,515	-
	<u>\$ 954,094</u>	<u>\$ (127,412)</u>	<u>\$ 2,580,623</u>	<u>\$ (709,544)</u>	<u>\$ 3,534,717</u>	<u>\$ (836,956)</u>

The amount of \$798,980 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	Miscellaneous Plan	Safety Police Plan	Total
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2024	\$ 196,635	\$ 362,386	\$ 559,021
2025	191,034	356,396	547,430
2026	116,330	208,141	324,471
2027	103,317	364,541	467,858
	<u>\$ 607,316</u>	<u>\$ 1,291,464</u>	<u>\$ 1,898,780</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>All Plans</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	2.80%
Investment rate of return	6.90%
Mortality Rate Table ¹	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance ² Floor on Purchasing Power applies, 2.3% thereafter

¹The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website

²Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2017 experience study report available on CalPERS website. All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 1997 to 2014, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "Crossover Testing Report" that can be obtained at CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

For Miscellaneous and Safety Plans

Asset Class	Current Target Allocation	Real Return ^{1, 2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

¹ An expected price inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

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

The following presents the net pension liability of the Town for each Plan, calculated using the discount rate for each Plan, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease in Discount Rate 5.90%	Discount Rate 6.90%	1% Increase in Discount Rate 7.90%
Net pension liability (asset)			
Miscellaneous	\$ 1,906,109	\$ 922,181	\$ 112,652
Safety	6,864,798	3,784,313	1,266,713
	\$ 8,770,907	\$ 4,706,494	\$ 1,379,365

Payable to the Pension Plan

At June 30, 2023, the Town did not have significant contributions payable to the pension plans.

Note 7 - Commitments and Contingencies

The Town is subject to litigation arising in the normal course of business. In the opinion of the Town Attorney, there is no pending litigation that is likely to have a material 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

Governmental funds report fund balance in classifications based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2023, fund balances for governmental funds are comprised of the following:

Nonspendable – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Unassigned – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Fund balances comprise the following elements:

	Major			Total	Total
	General Fund	Drainage Fund	Roadway Fund	Non-Major Governmental Funds	
Nonspendable					
Leases receivable	\$ 19,027	\$ -	\$ -	\$ -	\$ 19,027
Total nonspendable	<u>19,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,027</u>
Restricted					
PARS Section 115	\$ 74,690	\$ -	\$ -	\$ -	\$ 74,690
Grants for safety	13,720	-	-	-	13,720
Streets and roadway projects	-	-	1,059,328	94,052	1,153,380
Drainage projects and related	-	1,321,242	-	-	1,321,242
Fire prevention - MWPA JPA	52,963	-	-	-	52,963
CalRecycle grant funds	20,250	-	-	-	20,250
General plan compliance costs	-	-	-	287,856	287,856
Total restricted	<u>161,623</u>	<u>1,321,242</u>	<u>1,059,328</u>	<u>381,908</u>	<u>2,924,101</u>
Assigned					
Capital projects	8,956,365	-	-	-	8,956,365
Total assigned	<u>8,956,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,956,365</u>
Unassigned					
For economic uncertainties	1,500,000	-	-	-	1,500,000
For facilities and equipment	1,038,351	-	-	-	1,038,351
Remaining unassigned	3,958,868	-	-	-	3,958,868
Total unassigned	<u>6,497,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,497,219</u>
	<u>\$ 15,634,234</u>	<u>\$ 1,321,242</u>	<u>\$ 1,059,328</u>	<u>\$ 381,908</u>	<u>\$ 18,396,712</u>

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 then committed, assigned or unassigned funds as needed, in that order.

Minimum Fund Balance Policy

The Town established an emergency reserve in the General Fund for economic uncertainties of \$1,500,000 in order to protect the Town against revenue shortfalls or unpredicted one-time expenditures.

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 28 other government agencies in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), 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 PLAN JPA for its liability and property insurance.

PLAN JPA provides liability coverage up to a maximum of \$35 million per occurrence among all members with the first \$1 million being self-funded by the JPA and the remainder with the purchase of five layers of excess liability insurance. The Town has a self-insured responsibility of \$25 thousand. PLAN JPA also provides property damage coverage among all members to \$1 billion excluding earthquake coverage and with limited flood coverage. The Town has a deductible of \$5 thousand for property and vehicle damage.

SHARP JPA, the Shared Agency Risk Pool Joint Powers Authority, with five members covers worker’s compensation claims. Members contribute to the pool to pay claims up to \$250,000. SHARP participates in excess pools to pay claims above \$250,000.

Both PLAN JPA and SHARP JPA are currently administered by Sedgwick staff under the direction of their respective Boards of Directors, comprised of member agencies.

Financial statements for PLAN JPA and SHARP JPA can be obtained from Katie Sullivan at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

Note 10 - Accrued Compensated Absences

Accumulated vacation and sick leave benefits payable in future years when used by the Town employees amounted to \$269,510 at June 30, 2023. Benefits will be recorded as an expenditure in the governmental funds when the related balance becomes due. The following is the change of the compensated absences liability during the year:

	Beginning Balance	Addition	Deletion	Ending Balance	Current Portion
Compensated absences	\$ 240,562	\$ 186,147	\$ (157,199)	\$ 269,510	\$ 89,837

The balance will be paid by the fund in which the employee worked.

Note 11 - Participation in Joint Powers Agreements

The Town participates in the jointly governed organizations discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint organization is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint organization, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of this joint organization are not the Town's responsibility, and the Town does not have an equity interest in the assets of each joint organization except upon dissolution of the joint organization.

The Town of Ross participates in the following Joint Powers Agreements:

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 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 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 \$15,385. Financial statements may be obtained by a request to MERA P.O. Box 159, Corte Madera, CA 94976.

Ross Valley Paramedic Authority – The Ross Valley Paramedic Authority (RVPA) was created in December 1982. RVPA is a Joint Powers Agreement (JPA) between eight member agencies. Each of these agencies appoints a board member. The board elects a President and Vice President each year. The Executive Officer is Marin County Fire Chief Jason Weber, who volunteers his time to serve as the administrator on behalf of the County of Marin.

RVPA's operations are financed by its members, through a tax on each residential unit and an equivalent tax for commercial property. During fiscal year ended June 30, 2023, the tax was \$91.50 per living unit and 1,500 square feet of structure on parcels in non-residential use. Financial statements may be obtained by mailing a request to: County of Marin Fire Chief, Jason Weber, P.O. Box 518 Woodacre, CA 94973.

Marin General Services Authority – The Marin General Services Authority (MGSA) was created in 2005 by the cities, towns, and County of Marin and two Community Service Districts to offer various public services effectively and efficiently throughout the county in a uniform manner with minimal overhead expense including animal control, abandoned vehicle abatement, and taxicab regulation, information management services, and street light maintenance. The MGSA has administrative authority for Marin Map JPA which provides geographic information systems and serves as an advisory body to the Marin County Stormwater Pollution Prevention Program, the Marin Climate and Energy Partnership, and the Mediation Program run by the District Attorney's office.

The financial responsibility of each member is based on a relative population and assessed value formula. Audited financial statements may be obtained by mailing a request to Marin General Services Authority at: 900 Fifth Avenue, Suite 100, San Rafael, CA 94901. The Town's member contributions for the current fiscal year were \$53,182.

Marin Hazardous Materials Spills Management Authority – This multi-agency and multi-jurisdictional agency responds to hazardous materials emergencies. The annual budget is determined by the Marin County Fire Chief’s Association and is allocated on a jurisdiction percent of population based on the county of Marin’s current census data. Financial statements may be obtained by mailing a request to: the Hazardous Materials Response Team, c/o San Rafael Fire Department, 1039 C Street, San Rafael, CA 94901.

Marin Climate and Energy Partnership (MCEP) – The MCEP was created in 2007 by the County of Marin, eleven Marin cities and towns, the Transportation Authority of Marin, Marin Clean Energy, and the Marin Municipal Water District. The member agencies work together to reduce greenhouse gas emissions in government operations and our communities. The MCEP works to implement a wide range of greenhouse gas reduction programs, such as green building regulation, electric vehicle charging stations, LED streetlights, zero waste initiatives, and green purchasing policies. The MCEP demonstrates a way for local government to collaborate on various energy and climate-related issues and addresses AB 32 goals on a countywide basis. The Town’s contribution for the current fiscal year was \$3,192. MCEP is now under the administration Marin General Services Authority.

Marin County Stormwater Pollution Prevention Program (MCSTOPPP) – MCSTOPPP was formed in 1993 between the County of Marin and eleven cities and towns within Marin. The Town of Ross became a member in 2005. The goal of MCSTOPPP is to prevent storm water pollution, protect and enhance water quality in creeks and wetlands, preserve beneficial uses of local waterways, and comply with State and Federal regulations.

The MCSTOPPP is administered by the Marin County Flood Control and Water Conservation District with staffing provided by the Marin County Department of Public Works. The Marin General Services Authority provides budgetary and programmatic oversight. Member contributions are calculated using square miles and population factors. The Town’s contribution for the current fiscal year was \$11,256.

Zero Waste Marin - This Authority was established by the County, local cities, and waste franchising districts to finance, prepare and implement source reduction and recycling elements on a county-wide integrated waste management plan as required by State Assembly Bill 939. Financial statements of the Authority can be obtained at: 3501 Civic Center Drive, San Rafael, California 94903.

Ross Valley Fire Department (RVFD) – On July 1, 2012, the Town entered into a joint powers Agreement with the Town of Fairfax, the Town of San Anselmo, and the Sleepy Hollow Fire Protection district to merge the Town of Ross Fire Department with the Ross Valley Fire Department to provide fire and emergency medical services within the member jurisdictions. RVFD is governed by an eight-voting member Board of Directors, consisting of two members appointed by each of governing bodies of the JPA members. Member contributions are determined by a pro-rata share of total budgeted expenditures, of which, the Town’s percentage share is 23.37%. During fiscal year 2022-2023, the Town contributed \$2,266,963 for operating costs and \$82,965 to fund apparatus replacement.

The JPA agreement was amended on January 1, 2022 to provide for the closure of the Ross Fire Station and to allocate JPA resources, savings, and costs attributable to the Ross Fire Station closure.

Financial statements may be obtained from the RVFD, 777 San Anselmo Avenue, San Anselmo, CA 94960

Marin Wildfire Prevention Authority (MWPA) – The voters approved in March 2020 a 10-year parcel tax called Measure C to fund wildfire prevention and preparedness efforts through a joint powers agreement among 17 member agencies covering most of Marin County. The levied parcel tax is \$0.10 per building square foot (or \$75 per multi family unit). The authority allocates to members 20% of the tax measure proceeds for defensible space and fire-resistant structure evaluations and 20% for local specific wildfire prevention efforts. Cross jurisdictional projects implemented by Fire Safe Marin are allocated 60%.

The MWPA is governed by a Board of Directors composed of elected leaders from each agency.

Financial statements may be obtained from the MWPA located at 1600 Los Gamos Dr., Suite 345, San Rafael, CA 94903.

Note 12 - Post Employment Health Care Benefits

Plan Description

The Town provides certain other postemployment benefits (OPEB Plan) to employees. The Town’s agent multiple-employer defined benefit postemployment healthcare plan provides health care benefits to eligible retirees in accordance with a Council resolution. The Town contracts with CalPERS to administer its retiree health benefit plan. 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 which is currently the Public Employees Medical and Health Care Act (PEMHCA) minimum amount. Coverage is provided for life and spouses are eligible for the same type of coverage if elected by the retiree. Coverage discontinues either at the request of the retiree or by defaulting on the employee portion of the premium. Benefit provisions and contribution requirements are established and may be amended by the Town’s Council. The Town does not provide vision, life, or Medicare Part B reimbursement to retirees.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	17
Inactive employees entitled to but not yet receiving benefits payments	-
Inactive employees or beneficiaries currently receiving benefits payments	12
	29

Contributions

The obligation of the Town to contribute to the plan is based on an actuarial determined rate. For the fiscal year ended June 30, 2023, the Town did not make contributions to the plan. Retirees receiving benefits contributes the difference between the current monthly premiums for the selected plan and the PEMHCA reimbursement amount, which at June 30, 2023 was \$151. The Town make contributions and participates in the California Employers' Retiree Benefit Trust (CERBT) Fund for the purpose of prefunding obligations for past services. Through this plan, the California Public Employees' Retirement System (CalPERS) Board of Administration has the sole and exclusive control and power over the administration and investment of the prefunding plan.

Net OPEB Asset/Liability

The Town's net OPEB asset was measured as of June 30, 2022 and the total OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.25%
Inflation	2.50%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	6.25%
Mortality Rate	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	4.00% per annum

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40%	7.5%
Fixed Income	43%	4.3%
Treasury Inflation Protected Securities	5%	3.0%
Real Estate Investment Trusts	8%	7.3%
Commodities	4%	7.5%
	100%	

Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 6.25%. The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

Changes in Net OPEB (Asset)

The changes in the net OPEB liability (asset) for the Town's Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Balance, beginning of year	\$ 408,910	\$ 640,604	\$ (231,694)
Service cost	17,282	-	17,282
Interest	25,440	(78,483)	103,923
Changes of benefit terms	-	-	-
Difference in expected and actual experience			-
Changes of assumptions			-
Contributions			-
Employer - implicit subsidy			-
Investment Gains/(Losses)	1,472		1,472
Administrative expenses			-
Benefit payments, including refunds of employee contributions	(22,496)	(22,496)	-
Implicit rate subsidy fulfilled			-
Administrative expenses		(160)	160
Balance, end of year	<u>\$ 430,608</u>	<u>\$ 539,465</u>	<u>\$ (108,857)</u>

Sensitivity of the Net OPEB (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Town if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate, for the year ended June 30, 2023:

	1% Decrease in Discount Rate (5.25%)	Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net OPEB liability (asset)	<u>\$ (57,724)</u>	<u>\$ (108,857)</u>	<u>\$ (151,593)</u>

Sensitivity of the Net OPEB (Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability (asset) of the Town if it were calculated using health care cost trend rates that are one percentage point lower or one percentage higher than the current rate, for the year ended June 30, 2023.

	1% Decrease in Trend Rate (3.00%)	Healthcare Cost Trend Rates (4.00%)	1% Increase in Trend Rate (5.00%)
Net OPEB liability (asset)	\$ (160,847)	\$ (108,857)	\$ (45,597)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in the future OPEB expense. As of fiscal year ended June 30, 2023, the Town reported the following deferred outflows/inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Experience	\$ 19,691	\$ 5,953
Change in Assumptions	9,801	-
Change between projected and actual earnings	53,064	-
Total	\$ 82,556	\$ 5,953

These amounts will be recognized as OPEB expense in the future as follows:

Year Ending June 30,	Deferred Outflows/Inflows of Resources
2024	\$ 14,873
2025	17,271
2026	16,297
2027	28,005
2028	157
	\$ 76,603

Note 13 - New Accounting Pronouncements

Effect of New Governmental Accounting Standards Board (GASB) Pronouncement

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement did not impact the Town’s financial statements.

GASB Statement No. 99 – In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100 – In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter.

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Future Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 99 – In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 or FY 2023/2024, and all reporting periods thereafter. The Town is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 100 – In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 or FY 2023/2024 and all reporting periods thereafter. The Town is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, or FY 2024/2025 and all reporting periods thereafter. The Town is evaluating the impact of this Statement on the financial statements.

Required Supplementary Information
June 30, 2023

Town of Ross

Town of Ross

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Unaudited) and Actual –
General Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,143,000	\$ 6,143,000	\$ 6,202,622	\$ 59,622
Intergovernmental	568,330	568,330	678,818	110,488
Building/public works permits	651,100	651,100	892,156	241,056
Use of money and property	290,209	290,209	614,303	324,094
Charges for services	1,167,900	1,167,900	1,311,622	143,722
Fines and forfeitures	15,000	15,000	10,104	(4,896)
Miscellaneous	37,674	37,674	59,933	22,259
Total revenues	8,873,213	8,873,213	9,769,558	896,345
Expenditures				
Current				
General government	1,474,573	1,692,575	1,393,986	298,589
Planning/building	1,153,979	1,153,979	1,137,866	16,113
Public safety	4,901,698	4,901,698	4,643,576	258,122
Public works	1,143,879	1,143,879	1,025,663	118,216
Recreation	767,822	810,822	793,679	17,143
Capital outlay	446,900	446,900	235,612	211,288
Debt service				
Principal	717	717	717	-
Interest	9,283	9,283	9,283	-
Total expenditures	9,898,851	10,159,853	9,240,382	919,471
Excess (Deficiency) of Revenues Over Expenditures	(1,025,638)	(1,286,640)	529,176	1,815,816
Other Financing Sources (Uses)				
Transfers in	1,109,342	1,109,342	1,109,343	1
Sale of capital assets	-	-	5,311	5,311
Total other financing sources (uses)	1,109,342	1,109,342	1,114,654	5,312
Net Change in Fund Balance	\$ 83,704	\$ (177,298)	1,643,830	\$ 1,821,128
Fund Balance, Beginning of Year			13,990,404	
Fund Balance, End of Year			<u>\$ 15,634,234</u>	

Town of Ross

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Unaudited) and Actual –
 Drainage Fund
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 150,000	\$ 150,000	121,908	(28,092)
Investment earnings	2,500	2,500	\$ 32,104	\$ 29,604
Total revenues	<u>152,500</u>	<u>152,500</u>	<u>154,012</u>	<u>29,604</u>
Expenditures				
Current				
Public works	300,000	300,000	225,892	74,108
Capital outlay	<u>350,000</u>	<u>350,000</u>	-	<u>350,000</u>
Total expenditures	<u>650,000</u>	<u>650,000</u>	<u>225,892</u>	<u>424,108</u>
Net Change in Fund Balance	<u>(497,500)</u>	<u>(497,500)</u>	(71,880)	<u>425,620</u>
Fund Balance, Beginning of Year			<u>1,393,122</u>	
Fund Balance, End of Year			<u>\$ 1,321,242</u>	

Town of Ross
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Unaudited) and Actual –
Roadway Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 429,000	\$ 429,000	\$ 169,727	\$ (259,273)
Licenses and permits	150,000	150,000	141,241	(8,759)
Investment earnings	2,000	2,000	-	(2,000)
Total revenues	<u>581,000</u>	<u>581,000</u>	<u>310,968</u>	<u>(270,032)</u>
Expenditures				
Current				
Public works	-	-	7	(7)
Capital outlay	<u>688,000</u>	<u>688,000</u>	<u>253,657</u>	<u>434,343</u>
Total expenditures	<u>688,000</u>	<u>688,000</u>	<u>253,664</u>	<u>434,336</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(107,000)</u>	<u>(107,000)</u>	<u>57,304</u>	<u>164,304</u>
Net Change in Fund Balance	<u><u>(107,000)</u></u>	<u><u>(107,000)</u></u>	<u>57,304</u>	<u>164,304</u>
Fund Balance, Beginning of Year			<u>1,002,024</u>	
Fund Balance, End of Year			<u><u>\$ 1,059,328</u></u>	

Town of Ross
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

Miscellaneous	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan's proportion of the net pension liability	0.05507%	-0.01003%	0.01832%	0.01641%	0.01448%	0.01986%	0.01964%	0.02262%	0.02419%
Plan's proportionate share of the net pension liability (asset)	\$ 922,181	\$ (190,473)	\$ 772,937	\$ 657,018	\$ 545,637	\$ 782,895	\$ 682,426	\$ 620,516	\$ 597,760
Plan's covered payroll	\$ 1,287,850	\$ 1,209,036	\$ 1,166,258	\$ 1,101,366	\$ 969,297	\$ 969,202	\$ 719,234	\$ 734,555	\$ 587,276
Proportionate share of the net pension liability as a percentage of covered payroll	71.61%	56.29%	56.29%	59.65%	56.29%	80.78%	94.88%	84.48%	101.79%
Plan's fiduciary net position as a percentage of the plan's total pension liability	78.19%	90.49%	77.71%	75.26%	75.26%	75.39%	75.87%	79.89%	81.15%
Safety	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan's proportion of the net pension liability	0.01971%	1.52400%	0.00540%	0.05054%	0.04810%	0.05904%	0.06092%	0.07105%	0.07650%
Plan's proportionate share of the net pension liability	\$ 3,784,313	\$ 534,726	\$ 3,598,937	\$ 3,154,912	\$ 2,822,097	\$ 3,527,483	\$ 3,155,417	\$ 2,927,626	\$ 2,869,504
Plan's covered payroll	\$ 841,618	\$ 973,506	\$ 865,174	\$ 927,789	\$ 946,202	\$ 936,025	\$ 878,002	\$ 817,494	\$ 766,634
Proportionate share of the net pension liability as a percentage of covered payroll	449.65%	54.93%	415.98%	340.05%	298.26%	372.80%	359.39%	358.12%	374.30%
Plan's fiduciary net position as a percentage of the plan's total pension liability	76.52%	86.61%	73.12%	73.37%	75.26%	71.74%	72.69%	77.27%	78.83%
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Notes to schedule:

Benefit changes: There were no changes to benefit terms.

Changes in assumptions: In 2017, the discount rate reduced from 7.65 to 7.15 percent.

*Fiscal year 2015 was the first year of implementation.

Town of Ross
Schedule of Pension Contributions
Last Ten Fiscal Years*

Miscellaneous	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 219,366	\$ 203,737	\$ 269,619	\$ 142,175	\$168,584	\$ 198,343	\$ 123,515	\$ 244,274	\$ 68,225
Contributions in relation to the actuarially determined contribution	(219,366)	(203,737)	(269,619)	(142,175)	(168,584)	(198,343)	(123,515)	(244,274)	(68,225)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,374,685	\$ 1,287,850	\$ 1,209,036	\$ 1,166,258	\$1,101,366	\$ 969,297	\$ 969,202	\$ 719,234	\$ 734,555
Contributions as a percentage of covered payroll	16.0%	15.8%	22.3%	12.2%	15.3%	20.5%	12.7%	34.0%	9.3%
Safety	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 579,615	\$ 562,271	\$ 913,274	\$ 378,022	\$534,803	\$ 993,890	\$ 459,244	\$ 1,095,123	\$ 149,341
Contributions in relation to the actuarially determined contribution	(579,615)	(562,271)	(913,274)	(378,022)	(534,803)	(993,890)	(459,244)	(1,095,123)	(149,341)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 795,417	\$ 841,618	\$ 973,506	\$ 865,174	\$927,789	\$ 946,202	\$ 936,025	\$ 878,002	\$ 817,494
Contributions as a percentage of covered payroll	72.9%	66.8%	93.8%	43.7%	57.6%	105.0%	49.1%	124.7%	18.3%

*Fiscal year 2015 was the first year of implementation.

Town of Ross
Schedule of Changes in Net OPEB Liability
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 17,282	\$ 13,678	\$ 13,312	\$ 11,607	\$11,296
Interest	25,440	22,819	21,565	22,488	22,610
Differences between expected and actual experience	-	27,564	2,204	(44,490)	-
Change of assumptions	-	11,507	-	18,448	-
Experience gains/losses	1,472	-	-	-	-
Benefit payments, included refunds of employee contributions	(22,496)	(18,959)	(17,576)	(15,814)	(16,155)
Net change in total OPEB liability	21,698	56,609	19,505	(7,761)	17,751
Total OPEB liability - beginning of year	408,910	352,301	332,796	340,557	322,806
Total OPEB liability - end of year (a)	<u>\$ 430,608</u>	<u>\$ 408,910</u>	<u>\$ 352,301</u>	<u>\$ 332,796</u>	<u>\$ 340,557</u>
Plan Fiduciary Net Position					
Net investment income	\$ (78,483)	\$ 107,802	\$ 30,971	\$ 31,303	\$40,397
Contributions	-	-	-	-	48,000
Benefit payments, included refunds of employee contributions	(22,496)	(18,959)	(17,576)	(15,814)	(16,155)
Administrative expense	(160)	(199)	(264)	(111)	(862)
Net change in plan fiduciary net position	(101,139)	88,644	13,131	15,378	71,380
Plan fiduciary net position - beginning of year	640,604	551,960	538,829	523,451	452,071
Plan fiduciary net position - end of year (b)	539,465	640,604	551,960	538,829	523,451
Town's net OPEB (asset) - end of year = (a) - (b)	<u>\$ (108,857)</u>	<u>\$ (231,694)</u>	<u>\$ (199,659)</u>	<u>\$ (206,033)</u>	<u>\$ (182,894)</u>
Plan fiduciary net position as a percentage of total OPEB asset	125.28%	156.66%	156.67%	161.91%	153.70%
Covered-employee payroll	\$ 2,170,102	\$ 2,083,754	\$ 2,029,155	\$ 1,915,500	\$ 1,905,227
Net OPEB asset as a percentage of covered-employee payroll	-5.02%	-11.12%	-9.84%	-10.15%	-9.60%
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Town of Ross
Schedule of OPEB Contributions
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee-payroll	\$ 2,170,102	\$ 2,129,468	\$ 2,083,754	\$ 2,029,155	\$ 1,915,500
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

*Fiscal year 2018 was the first year of implementation.

Supplementary Information
June 30, 2023

Town of Ross

Town of Ross
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2023

	Gas Tax	General Plan Update Fund	Public Safety Tax Fund	Non-Major Governmental Funds
Assets				
Cash and investments	\$ 78,719	\$ 285,614	\$ -	\$ 364,333
Accounts receivables	14,707	-	-	14,707
Interest receivables	626	2,242	-	2,868
	\$ 94,052	\$ 287,856	\$ -	\$ 381,908
Fund Balances				
Restricted	94,052	287,856	-	381,908
Total Liabilities and Fund Balances	\$ 94,052	\$ 287,856	\$ -	\$ 381,908

Town of Ross
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Governmental Funds
Year Ended June 30, 2023

	Gas Tax	General Plan Update Fund	Public Safety Tax Fund	Non-Major Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ 953,343	\$ 953,343
Intergovernmental	116,726	-	-	116,726
Building/public works permits	-	79,991	-	79,991
Revenue from use of money and property	2,098	8,083	-	10,181
Total revenues	<u>118,824</u>	<u>88,074</u>	<u>953,343</u>	<u>1,160,241</u>
Expenditures				
Current				
Public works	35,997	-	-	35,997
Capital outlay	96,114	-	-	96,114
Total expenditures	<u>132,111</u>	<u>-</u>	<u>-</u>	<u>132,111</u>
Excess (Deficiency) of Revenues over Expenditures	(13,287)	88,074	953,343	1,028,130
Other Financing Sources (Uses)				
Transfers out	-	(156,000)	(953,343)	(1,109,343)
Net Change in Fund Balances	(13,287)	(67,926)	-	(81,213)
Fund Balances, Beginning of Year	107,339	355,782	-	463,121
Fund Balances, End of Year	<u>\$ 94,052</u>	<u>\$ 287,856</u>	<u>\$ -</u>	<u>\$ 381,908</u>