

# Town of Ramapo

## General Fund Deficit Reduction Update

March 27, 2019

Presented by John Lynch, CPA



# Overview

- General Fund (“GF”) deficit at December 31, 2015 - \$8,732,691
- Town board adopted a deficit reduction plan – November 2018
- Objective – restore GF fund balance to an appropriate level in 3 to 5 years
- Target GF Balance level – 10% of annual expenditures
- Deficit reduction initiatives under implementation:
  - Revenue increases
  - Expenditure reductions
  - Assets sales
  - Other sources

# Immediate \$3.3m GF deficit reduction

- 2019 budget - Board approved addition \$3.3 million GF levy
- While still remaining under 2% tax cap
- Additional funds restricted to deficit reduction
- GF deficit primarily results from loans, transfers and advances from other Town funds and special districts
- Therefore – the GF deficit reduces as we “repay ourselves”.

<b>Town of Ramapo - General Fund</b>		
	<b>Audited 12/31/2015 Rounded</b>	
<b><u>Assets:</u></b>		
<b>Cash</b>	<b>1,231,000</b>	
<b>Other Current Assets</b>	<b>1,436,000</b>	
<b>Total Assets</b>	<b>2,667,000</b>	
<b><u>Liabilities:</u></b>		
<b>Accounts Payable to Outside Vendors</b>	<b>825,000</b>	
<b>Other Current Liabilities</b>	<b>156,000</b>	
<b>Accrued Liabilities (Pension etc)</b>	<b>1,824,000</b>	
<b>Due to Other Funds and Districts</b>	<b>8,594,000</b>	
<b>Total Liabilities</b>	<b>11,399,000</b>	
<b>Fund Deficit as of December 31, 2015</b>	<b>(8,732,000)</b>	

<b>General Fund - Net Due to Other Funds and Districts</b>		
	<b>Audited</b>	
<b>Due to Town Funds and Districts</b>	<b>12/31/2015</b>	
<b>Police Fund</b>	<b>3,286,071</b>	
<b>Sewer Fund</b>	<b>2,182,712</b>	
<b>Water District</b>	<b>1,296,063</b>	
<b>Lighting District</b>	<b>1,097,439</b>	
<b>Refuse District</b>	<b>1,057,212</b>	
<b>Ambulance Fund</b>	<b>112,153</b>	
<b>General Liability Fund</b>	<b>73,590</b>	
<b>Workers Comp Fund</b>	<b>35,000</b>	
<b>Debt Service Fund</b>	<b>923</b>	
<b>General Fund Owes:</b>	<b>9,141,163</b>	
<b>Due From Town Funds</b>		
<b>Unincorporated Ramapo</b>	<b>251,573</b>	
<b>Fiduciary Funds</b>	<b>266,510</b>	
<b>Highway Fund</b>	<b>16,790</b>	
<b>Capital Projects Fund</b>	<b>12,756</b>	
<b>General Fund is Owed:</b>	<b>547,629</b>	
<b>Net Amount That GF Owes:</b>	<b>8,593,534</b>	

<b>Town of Ramapo - General Fund</b>				
	<b>Audited 12/31/2015 Rounded</b>	<b>Payment to Other Funds</b>	<b>Pro-forma 12/31/2015 Rounded</b>	
<b><u>Assets:</u></b>				
<b>Cash</b>	<b>1,231,000</b>		<b>1,231,000</b>	
<b>Other Current Assets</b>	<b>1,436,000</b>		<b>1,436,000</b>	
<b>Total Assets</b>	<b>2,667,000</b>		<b>2,667,000</b>	
<b><u>Liabilities:</u></b>				
<b>Accounts Payable to Outside Vendors</b>	<b>825,000</b>		<b>825,000</b>	
<b>Other Current Liabilities</b>	<b>156,000</b>		<b>156,000</b>	
<b>Accrued Liabilities (Pension etc.)</b>	<b>1,824,000</b>		<b>1,824,000</b>	
<b>Due to Other Funds and Districts</b>	<b>8,594,000</b>	<b>(3,323,575)</b>	<b>5,270,425</b>	
<b>Total Liabilities</b>	<b>11,399,000</b>		<b>8,075,425</b>	
<b>Fund Deficit as of December 31, 2015</b>	<b>(8,732,000)</b>		<b>(5,408,425)</b>	

<b>General Fund - Net Due to Other Funds and Districts</b>			
	<b>Audited</b>	<b>Payment to</b>	<b>Remaining</b>
<b>Due to Town Funds and Districts</b>	<b>12/31/2015</b>	<b>Other Funds</b>	<b>Balance</b>
<b>Police Fund</b>	<b>3,286,071</b>	<b>(2,500,575)</b>	<b>785,496</b>
<b>Sewer Fund</b>	<b>2,182,712</b>		<b>2,182,712</b>
<b>Water District</b>	<b>1,296,063</b>	<b>(323,000)</b>	<b>973,063</b>
<b>Lighting District</b>	<b>1,097,439</b>	<b>(120,000)</b>	<b>977,439</b>
<b>Refuse District</b>	<b>1,057,212</b>	<b>(380,000)</b>	<b>677,212</b>
<b>Ambulance Fund</b>	<b>112,153</b>		<b>112,153</b>
<b>General Liability Fund</b>	<b>73,590</b>		<b>73,590</b>
<b>Workers Comp Fund</b>	<b>35,000</b>		<b>35,000</b>
<b>Debt Service Fund</b>	<b>923</b>		<b>923</b>
			<b>-</b>
<b>General Fund Owes:</b>	<b>9,141,163</b>	<b>(3,323,575)</b>	<b>5,817,588</b>
<b>Due From Town Funds</b>			
<b>Unincorporated Ramapo</b>	<b>251,573</b>		<b>251,573</b>
<b>Fiduciary Funds</b>	<b>266,510</b>		<b>266,510</b>
<b>Highway Fund</b>	<b>16,790</b>		<b>16,790</b>
<b>Capital Projects Fund</b>	<b>12,756</b>		<b>12,756</b>
<b>General Fund is Owed:</b>	<b>547,629</b>		<b>547,629</b>
<b>Net Amount That GF Owes:</b>	<b>8,593,534</b>		<b>5,269,959</b>
<b>Amounts allocated primarily to oldest liabilities first</b>			

**End**