

# **Town of Ramapo, New York**

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## **BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

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**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

# TOWN OF RAMAPO, NEW YORK

## Table of Contents

	<u>Page</u>
<b>TABLE OF CONTENTS</b>	2
<b>INDEPENDENT AUDITOR’S REPORT</b>	4
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART I</b>	
Management’s Discussion and Analysis	7
<b>BASIC FINANCIAL STATEMENTS</b>	17
<b>Government-Wide Financial Statements:</b>	18
A-1 Statement of Net Position	19
A-2 Statement of Activities	20
<b>Fund Financial Statements:</b>	21
<b>Governmental Funds:</b>	
B-1 Balance Sheet	22
B-1a Reconciliation of the Balance Sheet – Governmental Funds to the Government-Wide Statement of Net Position	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities	26
<b>Proprietary Funds:</b>	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Net Position	28
B-6 Statement of Cash Flows	29
<b>Fiduciary Funds:</b>	
B-7 Statement of Fiduciary Net Position	30
<b>Notes to the Financial Statements</b>	31
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	70
<b>Budgetary Comparison Schedules:</b>	
<b>General Fund:</b>	
C-1 Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	71
<b>Special Revenue Funds:</b>	
C-2 Town Outside Villages Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	72
C-3 Police Fund -Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	73
C-4 Highway Fund -Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	74
C-5 Special Districts Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	75

**TOWN OF RAMAPO, NEW YORK**

## Table of Contents (Cont'd)

	<b><u>Page</u></b>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART III</b>	<b>76</b>
<b>Schedules Related to Other Postemployment Benefits:</b>	
D-1 Schedule of Funding Progress for Other Postemployment Benefits Plan	77
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART IV</b>	<b>78</b>
<b>Schedules Related to Accounting and Reporting for Pensions (GASB 68):</b>	
E-1 Schedule of the Town's Proportionate Share of the Net Pension Liability – Employees' Retirement System (ERS)	79
E-2 Schedule of Town's Contributions – Employees' Retirement System (ERS)	80
E-3 Schedule of the Town's Proportionate Share of the Net Pension Liability – Police and Fire Retirement System (PFRS)	81
E-4 Schedule of Town's Contributions – Police and Fire Retirement System (PFRS)	82
E-5 Notes to the Required Supplementary Information – Part IV - Accounting and Reporting for Pensions	83
<b>OTHER SUPPLEMENTARY INFORMATION</b>	<b>84</b>
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
<b>General Fund:</b>	<b>85</b>
F-1 Schedule of Revenues and Other Financing Sources Compared to Budget	86
F-2 Schedule of Expenditures and Other Financing Uses Compared to Budget	88
<b>Special Revenue Funds:</b>	<b>90</b>
G-1 Town Outside Villages Fund – Schedules of Revenues Compared to Budget	91
G-2 Town Outside Villages Fund – Schedules of Expenditures and Other Financing Compared to Budget	92
G-3 Highway Fund – Combining Balance Sheet	93
G-4 Highway Fund – Combining Statement of Revenues, Expenditures and Changes in Fund Balance	94
G-5 Highway Fund – Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	95
G-6 Special Districts Fund - Combining Balance Sheet	96
G-6a Special Districts Fund – Combining Balance Sheet – Fire Protection Districts	97
G-7 Special Districts Fund – Combining Statement of Revenues, Expenditures and Changes in Fund Balance	98
G-7a Special Districts Fund – Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Fire Protection Districts	99
<b>Capital Projects Fund:</b>	<b>100</b>
H Statement of Revenues, Expenditures and Changes in Fund Balance	101
<b>Proprietary Funds:</b>	<b>102</b>
I-1 Combining Statement of Net Position	103
I-2 Combining Statement of Revenues, Expenditures and Changes in Net Position	104
I-3 Combining Statement of Cash Flows	105

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Supervisor and Town Board  
of the Town of Ramapo, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Ramapo, New York ("Town") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatements of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statement.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2015, 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.

### ***Emphasis of Matters***

#### ***Investigations***

As discussed in Note 18 to the basic financial statements, the Town was subject to investigations from regulatory and oversight bodies in relation to past financial reporting practices. All litigation related to these investigations has been settled as of the date of our auditor's report. Our opinions are not modified with respect to this matter.

#### ***Adoption of Accounting Standard***

As discussed in Note 17 to the basic financial statements, as of January 1, 2015, the Town has adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

#### ***Restatement***

As discussed in Note 17 to the basic financial statements, opening fund balances and net position have been restated to correct prior period errors. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

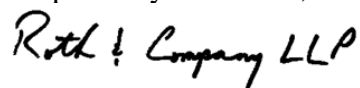
Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the information listed under the required supplementary information in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other 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 other supplementary schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully submitted,



Roth & Company LLP  
Brooklyn, New York  
March 11, 2019

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Town of Ramapo, New York**

### **Management's Discussion and Analysis (MD&A) For The Year Ended December 31, 2015**

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#### **Introduction**

The following Management's Discussion and Analysis (MD&A) is required supplementary information to the Town of Ramapo, New York's (the "Town") financial statements. It provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ending December 31, 2015.

These management comments, written as of March 11, 2019, also provide the benefit of perspective on certain developments after December 31, 2015, which, while they occurred subsequent to the close of the fiscal year, are nevertheless relevant to the reader's understanding of the Town's fiscal conditions at that date.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements.

The MD&A is designed to assist the reader in focusing on significant matters, provide an overview of the Town's finances, identify materials changes from the original budget and highlight individual fund matters. Financial information is summarized in order to provide an understanding of the Town's financial condition. The following financial statements, notes and required supplementary information should be reviewed in conjunction with the MD&A.

#### **Litigation and Settlement**

As more fully described in Footnote 18, the Town and the Ramapo Local Development Corporation (RLDC) were charged by the Securities and Exchange Commission ("SEC") with fraudulent misrepresentation in their financial statements for the year ending December 31, 2014 and in certain public financial disclosures in prior periods.

On November 17, 2017, the Town and the RLDC reached a settlement with the SEC having consented to the appointment of an independent financial consultant and certain other undertakings. The settlement did not require any payment of fines by or any other financial assessments to the Town or the RLDC.

As more fully described in Footnote 17, the prior period fund balances and the Town-wide net position have been restated to remove the effect of the previous misrepresentations and accurately state the opening balances as of January 1, 2015. Please note that all 2014 balances presented below are the correctly restated amounts.

#### **Financial Highlights for the Year Ended December 31, 2015**

- On the December 31, 2015 government-wide financial statement, the aggregate liabilities and deferred inflows of resources of the Town exceed its assets and deferred outflows of resources by \$30,225,136 resulting in a negative net position.



- This negative government-wide net position results primarily from the required recognition of the actuarially calculated long term other post-employment benefit liabilities totaling \$53,396,735 and deferred pension contribution payables of \$22,492,658 at December 31, 2015.
- During 2015 the total fund deficit of the General Fund increased by \$6,881,046 from negative \$1,851,645 to negative \$8,732,691.
- During 2015, the Town issued two series of public improvement serial bonds and refunding bonds:
  - Series A issued in May of 2015 in the amount of \$33,345,000; of this amount \$31,345,000 was used to repay 2014 Series B BAN and to provide \$2,000,000 for green energy capital projects.
  - Series B issued in October of 2015 in the amount of \$5,000,000, which provided \$1,920,000 for various capital projects and equipment purchases and \$3,080,000 to redeem BAN's issued in 2010.
  - Refunding bonds issued in October of 2015 in the amount of \$8,440,000, which was used to refund outstanding 2005 public improvement bonds.

### **Overview of the Financial Statements**

The financial statements in this report include:

- Government-wide financial statements for the Town and its discretely presented component unit, the Ramapo Local Development Corporation (RLDC);
- Fund level financial statements for all of the Town's governmental funds and
- Footnote disclosures providing key information relevant to the Town's and RLDC's financial statements

Additionally, the Town presents:

- Required supplementary information regarding budgetary comparison schedules, pension and other post-employment benefit obligations and
- Other supplementary information, including combining sub-fund financial statements and budgetary schedules.

An overview of each of the statements included in the Town's financial statements is as follows:

### **Government-wide Financial Statements**

- The Government-wide Financial Statements are designed to provide a broad overview of the Town's financial activities in a comprehensive manner similar to the financial reports of a private sector business.
- These statements provide both long-term and short-term information about the Town's overall financial position.
- The Statement of Net Position presents all of the Town's current and long-term assets, its current and long-term liabilities as well as the total of deferred inflows and deferred outflows of resources at the end of the year.
- The Statement of Activities presents a summary of all aspects of financial activity that, when aggregated, result in the increase or decrease in the net position of the Town during the year.
- All changes in net position are reported on a full accrual basis: revenues, expenses and the related assets and liabilities are recorded as soon as the underlying event giving rise to the change occurs.

- The full accrual basis requires the recognition of revenue and expenses in the current year for items that will result in cash inflows and outflows in future years such as the actuarially calculated long term liability for pension benefits which will be paid out over future periods.
- The Statement of Activities distinguishes “governmental activities” which are supported by property taxes, non-property taxes and intergovernmental activities from “program activities” which recover a portion of their costs through user fees and charges (i.e. the Town’s summer camp programs).

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. The diverse operations of the Town are accounted for in three types of funds: governmental, proprietary and fiduciary.

### **Governmental Funds**

The Town maintains the following individual governmental funds, each with a unique tax base: General Fund, Town Outside Villages Fund, Highway Fund, Special Districts (including Lighting, Water, Refuse, Sewer and Ambulance Districts), Police Fund, Debt Service Fund and Capital Projects Fund. All of these funds are considered to be major funds.

Fund accounting measures the current financial resources of each fund following the modified accrual basis. The measurement focus is on the near-term inflows and outflows of spendable resources as well as the balance of spendable resources available at the end of the fiscal year. Balance sheets at the fund level present only current assets and current liabilities.

The Town adopts annual budgets for each governmental fund. Comparisons of the actual results to the annual budgets are included within the required supplemental information herein.

### **Proprietary Funds**

The Town maintains two proprietary funds: the General Liability Claims Fund and the Workers Compensation Benefits Fund. These funds account for the cost of insurance coverage as well as the annual claims paid for general liability judgements and workers compensation cases. Both of these funds are also referred to as “internal service” funds as their source of funding is provided by transfers-in from various governmental funds.

Each year, the cost for general liability claims and workers compensation claims in each of the individual government funds is estimated. Cash is transferred to the internal service funds so that a centralized payment can be made. In addition, a long-term liability is recorded at year end based on an independent actuarial calculation of the liabilities associated with the existing general liability and workers compensation cases.

### **Fiduciary Funds**

The Town maintains only one fiduciary fund: the Agency Fund. This fund is used to account for funds on deposit with the Town on a custodial basis.

## Notes to the Financial Statements

The notes are an integral part of the financial statements; they provide additional information which is essential to a full understanding of the financial data presented.

### Government-wide Financial Analysis

The following is a condensed statement of government-wide net position for the Town at December 31, 2015 and 2014:

#### Townwide Statement of Net Position

	December 31,			
	2015	Restated 2014	\$ Change	% Change
Current Assets	\$ 22,975,155	\$ 19,902,266	\$ 3,072,889	15.4%
Capital Assets, net	176,412,184	179,990,205	(3,578,021)	-2.0%
Total Assets	199,387,339	199,892,471	(505,132)	-0.3%
Deferred Outflows of Resources	6,934,136	4,285,161	2,648,975	61.8%
Current Liabilities	29,517,490	60,448,413	(30,930,923)	-51.2%
Long-term Liabilities	207,029,121	158,409,352	48,619,769	30.7%
Total Liabilities	236,546,611	218,857,765	17,688,846	8.1%
Net Position:	<u>\$ (30,225,136)</u>	<u>\$ (14,680,133)</u>	<u>\$ (15,545,003)</u>	<u>105.9%</u>

Total assets remained relatively consistent year over year. Declines in capital assets are attributed to depreciation expense of \$6.3 million offset by capital asset additions. Current assets consist mainly of cash and receivables which fluctuate due to the timing of cash receipts and payments.

Deferred outflows of resources increased during 2015 by \$2,648,975. This was primarily a result of the actuarial calculated adjustments including an adjustment for pension contributions made by the Town after the actuarial measurement date. The total at December 31, 2015 of \$6,934,136 represents outflows that will be recognized as expenses in future periods.

Current liabilities decreased by \$31,405,922 due to the refunding of short term BAN's by long term bonds.

Long-term liabilities include general obligation bonds, compensated absences, self-insurance claims payable, landfill postclosure obligations, pension and other post-employment benefit obligations. The value of the Town's proportionate net pension liability and other postemployment benefits obligations are determined by the State of New York and an independent actuary, respectively.

Long term bond liabilities increased by \$47,677,670 in 2015 as a result of refunding the BAN's in addition to raising additional funds for various capital projects and acquisitions. After scheduled principal payments in 2015 of \$17,544,351, total long terms bonds payable at December 31, 2015 is \$124,916,621.

Other non-current liabilities increased from \$74,601,339 at December 31, 2014 to \$95,759,143 at December 31, 2015. This net increase of \$21,157,804 is a primarily comprised of retirement incentives and other pension contribution obligations of a past service cost liability of \$13,329,936 resulting from a change made during 2015 which enhanced the benefits provided by the pension plan for police force employees and an increase of \$8,593,039 in the estimate of the long-term cost of other post-employment benefits (mainly lifetime medical coverage for retirees).

The following is a government-wide statement of changes in fund balance for the years 2015 and 2014. The 2014 statement has been restated due to prior period adjustments outlined in Note 17.

**Townwide Statement of Activites**

	<b>December 31,</b>			
	<b>2015</b>	<b>Restated 2014</b>	<b>\$ Change</b>	<b>% Change</b>
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 17,860,018	\$ 16,900,005	\$ 960,013	5.7%
Operating Grants and Contributions	368,993	1,087,476	(718,483)	-66.1%
Capital Grants and Contributions	1,379,500	246,372	1,133,128	459.9%
General Revenues:				
Real Property Taxes and Other Tax Items	79,826,218	77,705,743	2,120,475	2.7%
Other	6,038,201	5,052,405	985,796	19.5%
Total Revenues	<u>105,472,930</u>	<u>100,992,001</u>	<u>4,480,929</u>	<u>4.4%</u>
<b>PROGRAM EXPENSES</b>				
General Government Support	19,602,758	20,693,443	(1,090,685)	-5.3%
Public Safety	52,045,496	41,930,977	10,114,519	24.1%
Health	7,718,583	7,797,112	(78,529)	-1.0%
Transportation	9,264,102	8,712,056	552,046	6.3%
Economic Opportunity and Development	546,942	477,800	69,142	14.5%
Culture and Recreation	15,846,841	14,997,125	849,716	5.7%
Home and Community Services	11,158,894	11,524,566	(365,672)	-3.2%
Interest	4,834,317	5,128,060	(293,743)	-5.7%
Total Expenses	<u>121,017,933</u>	<u>111,261,140</u>	<u>9,756,793</u>	<u>8.8%</u>
Change in Net Position	(15,545,003)	(10,269,139)	(5,275,864)	51.4%
Net Position - Beginning, as restated for prior period errors	(14,680,133)	(5,244,252)	(9,435,881)	179.9%
Adoption of GASB 68 and 71	<u>-</u>	<u>833,258</u>	<u>(833,258)</u>	<u>-100.0%</u>
Net Position - Ending	<u><u>\$ (30,225,136)</u></u>	<u><u>\$ (14,680,133)</u></u>	<u><u>\$ (15,545,003)</u></u>	<u><u>105.9%</u></u>

Program revenues increased by \$1,374,658 and general revenues increased by \$3,106,271 for an aggregate year on year revenue increase of \$4,480,929.

Total expenses in 2015 exceeded 2014 by \$9,756,793. The increase is primarily the result of increased public safety expenditures related to the recording of the long-term liability for the past service costs associated with the 2015 change in the police force pension plan. Other 2015 program expenses were in line with the previous year.

### **Financial Analysis of the Town's Funds**

The Town uses fund accounting to ensure and demonstrate compliance with legal and finance-related requirements. Accounting at the fund level provides information about near-term inflows, outflows and balances of spendable resources. An operating budget in each fund is adopted by the Town Board each year. The annual budget is comprised of estimations of program revenues and expenditures which then forms the basis for the amount of taxes levied to provide adequate funds to provide general government support, public safety, health and transportation services as well as culture, recreation, home and community services.

The fund balance at the end of the year in each fund is a measure of the resources remaining after all revenues of the current year are recorded and all expenditures of the current year are paid or recorded as payable at the end of the year. These remaining resources, if positive, are often referred to as the "rainy day fund" that is available if needed in the following year.

The General Fund is an indicator of the overall financial health of the Town. The cost of general government support is accounted for in the General Fund and the resources of the General Fund (excluding any amounts specifically restricted by law or board resolution) are available for any and all general claims and liabilities of the Town.

The Town Outside Village Fund ("TOV" also referred to as the "Part Town" or "Unincorporated Ramapo") is used to account for those support services that are unrelated to the villages within the Town. Expenditures in this fund primarily encompass the cost of building, planning and zoning services.

The Police Fund captures the cost of providing police protection and public safety services in all parts of the Town except for two villages which have their own police force.

The Highway Fund is used to account for the cost of snow and brush removal as well as road repair and maintenance for all of the roads within the boundaries of the Part Town.

Special Districts include separate funds used to account for the costs associated with providing specific services to benefited areas. Districts within the Town include funds to account for the cost of street lights, refuse and recycling services in the Part Town, sewer costs in the benefited areas and ambulance services provided on a town-wide basis. The resources within the Special Districts funds are assigned to the specific purposes of each district and therefore are not available for the general claims or liabilities of the Town.

The Debt Service and Capital Projects Funds are used to account for the current cash flows associated with debt funding. Debt service payments are budgeted in the operating funds and then transferred into the Debt Service Fund for payment. When short-term debt such as BAN's are issued they are initially recorded in the Capital Projects Fund. These short-term liabilities are replaced with the long-term liability recorded in the government-wide statement of net position once the long-term bonds are issued. The fund balance at the end of the year represents bond funds available to be expended for future capital projects.

The Town's governmental funds as presented in the balance sheet, reported a combined fund balance of \$7,299,303. Included in this year's deficit is a total deficiency of revenues over expenditures of \$4,607,922. This deficiency was offset by total other finance sources of \$40,616,711, for a total increase in fund balance of \$36,008,789. The net increase in other finance sources is attributed to the issuance of serial bonds of \$38,345,000 and the sale of real property of \$1,895,000.

The restated fund balance in the General Fund as of December 31, 2014 is a deficit of approximately \$1,852,000 as the liabilities of the fund exceed its assets at that date. The deficit realized in the General Fund during 2015 was approximately \$6,881,000, as more fully described in the General Fund budgetary highlights (below).

In 2015, the TOV Fund had a deficit of approximately \$313,000, which was primarily caused by expenditure budget overruns. This resulted in a negative fund balance of approximately \$97,000 at the end of 2015.

The Police Fund substantially complied with its 2015 budget, total revenues exceeded budget by approximately \$416,000 and total expenditures were approximately \$23,000 under budget. As a result, the police fund balance increased by approximately \$308,000 to \$1,871,000.

The combined Special District's fund operated favorably compared to budget by generating approximately \$1,227,000 million in incremental revenues and coming in approximately \$4,423,000 under budget with expenditures. Total fund balance increased by approximately \$5,155,000 to \$7,487,000 at December 31, 2018.

### **General Fund Budgetary Highlights**

The following schedule presents a summarized comparison of the General Fund's final budget compared to actual results.

December 31, 2015			
	Final Budget	Actual	Budget Surplus (Deficit)
Total revenues	\$ 32,150,709	\$ 32,140,345	\$ (10,364)
Expenditures:			
General government	14,668,998	16,800,660	(2,131,662)
Culture and recreation	9,605,604	11,452,151	(1,846,547)
Other program areas	771,832	1,024,626	(252,794)
Debt service	966,315	966,315	-
Total expenditures	26,012,749	30,243,752	(4,231,003)
Excess of revenues over expenditures	\$ 6,137,960	\$ 1,896,593	\$ (4,241,367)
Other finances uses, net	(6,207,157)	(8,777,639)	(2,570,482)
Fund Balance (Deficit)	\$ (69,197)	\$ (6,881,046)	\$ (6,811,849)

Overall, the Town's revenues were in line with its budget. Actual departmental revenues were below budget by \$605,732 primarily due to shortfalls in home and community fees, engineering fees and fuel sales. Use of Money and Property Revenues were below budget by \$298,794 mainly due to property and equipment rentals that were substantially below the amounts budgeted. These budget deficiencies were offset by other tax items, interfund revenues, and non-property taxes

Actual expenditures for general government support exceeded the budget by \$2,131,662. This was primarily the result of additional legal expenses of \$1,550,375, plus unbudgeted facilities repair cost and insurance cost of \$274,910 and \$178,603, respectively.

Culture and recreation expenditures exceeded the total budget of \$9,605,604 by \$1,846,547. This aggregate variance resulted from a combination of significant under-budgeting and overspending. Expenditures at the recreation center in Torne Valley and the baseball stadium operating expenses paid by the Town each exceeded the budgeted amounts by approximately \$350,000, primarily due to utility costs, excess repairs and maintenance cost as well as seasonal salaries. Expenditure overruns at the pools and the golf course and summer youth programs were each approximately \$200,000. The Parks Administration Department and the Parks Maintenance Department were over budget by \$150,000 and \$200,000 respectively. In addition, expenditures for security in the parks exceeded the budgeted amounts by approximately \$100,000. Repairs and maintenance costs at the cultural properties exceeded the budget by approximately \$50,000.

The aggregate negative variance in revenues and other financing sources of \$2,570,481 is made up of negative variances of \$461,650 and \$1,965,000 related to the sale of real property and a shortfall of transfers-in from other the Ambulance Fund of \$143,831.

## **Capital Assets and Debt Administration**

Capital assets include land, land improvements, buildings, building improvements, machinery and equipment and infrastructure. The Town's investment in capital assets (net of accumulated depreciation) is \$176,412,184 at December 31, 2015.

At December 31, 2015, short-term bond anticipation notes and long-term bonds payable totaled \$2,000,000 and \$124,670,000, respectively. In addition, the Town guaranteed long-term bonds payable of the RLDC in the amount of \$24,035,000 at that date.

The New York State Constitution limits the amount of indebtedness of any municipality to seven percent of the recent five-year average full value of taxable real property of the municipality. The aggregate of short-term, long-term and guaranteed debt of the Town at December 31, 2015 is less than 20% of its constitutional debt limit.

Detailed information regarding capital assets and the related short-term and long-term debt is presented in Notes 3, 4 and 5.

## **Macroeconomic Factors**

The Town is the eight largest in New York State with a land area of approximately 61 square miles and a U.S. Census Bureau 2017 estimate population of 137,510.

For the year ending 2015 and through the present time, the macroeconomic fundamentals of the town have been stable. Economic highlights are as follows:

- Median value of owner-occupied housing units (2013-2017) - \$417,300 (U.S. Census Bureau)
- Median household income in 2017 dollars (2013 – 2017) - \$69,245 (U.S. Census Bureau)
- Annual average unemployment rates among the lowest in New York State: 2015 – 4.2%, 2016 – 3.8%, 2017 – 4.0% (New York State Department of Labor).
- Ranked as the safest city in New York State based on crime statistics per capita in 2017 (Safehome.org)
- Stable taxable assessed property valuation of \$1.6 billion (2015-2018).

## **Requests for Information**

Questions or comments concerning any of the information in the report should be addressed to Town Supervisor, Town of Ramapo, 237 Route 59, Suffern, NY 10901



## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF RAMAPO, NEW YORK**

Statement of Net Position

December 31, 2015

**Exhibit A-1**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Government Activities</u>	<u>Ramapo Local Development Corporation</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 8,365,764	\$ 1,011,019
Receivables:		
Accounts, Net	4,558,013	511,584
Prepaid Expenses	86,600	-
Restricted Cash and Cash Equivalents	9,964,778	-
Capital Assets:		
Not Being Depreciated	42,374,371	8,338,047
Being Depreciated, Net	134,037,813	32,187,157
<b>Total Assets</b>	<b>199,387,339</b>	<b>42,047,807</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Related to Pensions	6,813,693	-
Related to Loss on Refunding Bonds	120,443	719,815
<b>Total Deferred Outflows of Resources</b>	<b>6,934,136</b>	<b>719,815</b>
<b>LIABILITIES:</b>		
Accounts Payable	1,935,058	12,455
Accrued Liabilities	9,476,978	-
Retained Percentages	76,416	-
Due to Other Governments	421,984	-
Bond Anticipation Notes Payable	2,000,000	-
Unearned Revenues	64,617	-
Deposits Payable	211,868	-
Accrued Interest Payable	1,683,926	322,510
Non-current Liabilities:		
Due within One Year	13,646,643	540,000
Due beyond One Year	207,029,121	25,730,776
<b>Total Liabilities</b>	<b>236,546,611</b>	<b>26,605,741</b>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	60,862,906	14,974,243
Restricted for:		
Law Enforcement	330,748	-
Debt Service	629,629	-
Unrestricted (Deficit)	(92,048,419)	1,187,638
<b>Total Net Position (Deficit)</b>	<b>\$ (30,225,136)</b>	<b>\$ 16,161,881</b>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK**

Statement of Activities

For the Year Ended December 31, 2015

**Exhibit A-2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Government Activities	Ramapo Local Development Corporation
Primary Government:						
Governmental Activities:						
General Government Support	\$ 19,602,758	\$ 3,817,742	\$ 15,305	\$ 288,200	\$ (15,481,511)	\$ -
Public Safety	52,045,496	168,539	315,764	-	(51,561,193)	-
Health	7,718,583	4,617,834	-	10,611	(3,090,138)	-
Transportation	9,264,102	3,133,648	35,295	754,592	(5,340,567)	-
Economic Opportunity and Development	546,942	-	-	-	(546,942)	-
Culture and Recreation	15,846,841	4,307,614	-	227,122	(11,312,105)	-
Home and Community Services	11,158,894	1,814,641	2,629	98,975	(9,242,649)	-
Interest Expense	4,834,317	-	-	-	(4,834,317)	-
Total Governmental Activities	<u>\$ 121,017,933</u>	<u>\$ 17,860,018</u>	<u>\$ 368,993</u>	<u>\$ 1,379,500</u>	<u>(101,409,422)</u>	<u>-</u>
Component Unit:						
Ramapo Local Development Corporation	<u>\$ 4,301,478</u>	<u>\$ 4,755,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>454,193</u>
General Revenues:						
Real Property Taxes					78,756,196	-
Other Tax Items:						
Payment in Lieu of Taxes					805,301	-
Interest and Penalties on Real Property Taxes					264,721	-
Non-Property Taxes:						
Franchise Fees					356,043	-
Non-property Distribution from County					1,927,063	-
Unrestricted use of Money and Property (Interest Earnings)					82,604	4,361
Sale of Property and Compensation for Loss					721,767	-
Other Unrestricted State and County Taxes					2,388,131	-
Miscellaneous					74,550	-
Gain on Sale of Capital Assets					488,043	-
Total General Revenues					<u>85,864,419</u>	<u>4,361</u>
Change in Net Position					(15,545,003)	458,554
Net Position - January 1, 2015 (Restated)					<u>(14,680,133)</u>	<u>15,703,327</u>
Net Position (Deficit) - December 31, 2015					<u>\$ (30,225,136)</u>	<u>\$ 16,161,881</u>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

## **FUND FINANCIAL STATEMENTS**

**TOWN OF RAMAPO, NEW YORK**

Governmental Funds

Balance Sheet

December 31, 2015

**Exhibit B-1**

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	General Fund	Town Outside Villages	Police	Highway	Special Districts				
<b>ASSETS:</b>									
Cash and Cash Equivalents	\$ 1,230,807	\$ 187,012	\$ 4,730,132	\$ 159,427	\$ 699,043	\$ 628,706	\$ 9,336,072	\$ 16,971,199	
Receivables:									
Accounts, Net	683,130	260,105	4,562	8,374	2,168,770	-	36,050	3,160,991	
State and Federal Aid	-	-	2,925	40,090	-	-	-	43,015	
Due from Other Governments	752,397	56,253	237,719	41,128	-	-	-	1,087,497	
Due from Other Funds	6,418,701	-	3,286,071	921,360	6,546,323	1,752,899	-	18,925,354	
<b>Total Assets</b>	<b>\$ 9,085,035</b>	<b>\$ 503,370</b>	<b>\$ 8,261,409</b>	<b>\$ 1,170,379</b>	<b>\$ 9,414,136</b>	<b>\$ 2,381,605</b>	<b>\$ 9,372,122</b>	<b>\$ 40,188,056</b>	
<b>LIABILITIES AND FUND BALANCES:</b>									
Liabilities:									
Accounts Payable	\$ 824,817	\$ 2,068	\$ 80,374	\$ 136,332	\$ 825,865	\$ -	\$ -	\$ 1,869,456	
Accrued Liabilities	1,824,460	205,024	6,310,260	644,987	299,680	-	192,567	9,476,978	
Retained Percentages	-	-	-	-	-	-	76,416	76,416	
Due to Other Governments	21,589	-	-	400,000	395	-	-	421,984	
Due to Other Funds	15,012,235	251,573	-	938,150	800,744	1,751,976	12,756	18,767,434	
Bond Anticipation Notes Payable	-	-	-	-	-	-	2,000,000	2,000,000	
Unearned Revenues	64,617	-	-	-	-	-	-	64,617	
Deposits Payable	70,008	141,860	-	-	-	-	-	211,868	
<b>Total Liabilities</b>	<b>17,817,726</b>	<b>600,525</b>	<b>6,390,634</b>	<b>2,119,469</b>	<b>1,926,684</b>	<b>1,751,976</b>	<b>2,281,739</b>	<b>32,888,753</b>	
Fund Balances (Deficits):									
Restricted	-	-	330,748	-	-	629,629	7,090,383	8,050,760	
Assigned	178,785	-	1,540,027	2,704	7,487,452	-	-	9,208,968	
Unassigned (Deficits)	(8,911,476)	(97,155)	-	(951,794)	-	-	-	(9,960,425)	
<b>Total Fund Balances (Deficits)</b>	<b>(8,732,691)</b>	<b>(97,155)</b>	<b>1,870,775</b>	<b>(949,090)</b>	<b>7,487,452</b>	<b>629,629</b>	<b>7,090,383</b>	<b>7,299,303</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,085,035</b>	<b>\$ 503,370</b>	<b>\$ 8,261,409</b>	<b>\$ 1,170,379</b>	<b>\$ 9,414,136</b>	<b>\$ 2,381,605</b>	<b>\$ 9,372,122</b>	<b>\$ 40,188,056</b>	

(Continued)

**TOWN OF RAMAPO, NEW YORK****Exhibit B-1a**

Reconciliation of the Balance Sheet - Governmental Funds to the Government-Wide Statement of Net Position  
December 31, 2015

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Total Fund Balances (Deficits) - Governmental Funds	\$ 7,299,303
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets net of accumulated depreciation, are not financial resources and therefore are not reported in the Fund Financial Statements.	176,412,184
Internal Service Funds are used by management to charge the costs of workers' compensation and general liability to individual funds. The assets and liabilities of Internal Service Funds are included in governmental activities in the Statement of Net Position.	(7,001,725)
Loss on refunding of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the Fund Financial Statements.	120,443
Deferred Outflows of Resources and Deferred Inflows of Resources, Related to Pensions, represents the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the Fund Financial Statements.	6,813,693
Long-term liabilities that are not due and payable in the current periods are not reported in the Fund Financial Statements:	
Accrued Interest Payable	(1,683,926)
Bonds Payable	(124,916,621)
Compensated Absences	(6,604,997)
Landfill Closure Costs	(1,188,100)
Retirement Incentives and Other Pension Obligations	(22,492,658)
Other Post Employment Benefit Obligations Payable	(53,396,735)
Net Pension Liability	(3,585,997)
	<hr/>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (30,225,136)</u></u>

The Accompanying Notes to Financial Statements are an integral part of this statement.

**TOWN OF RAMAPO, NEW YORK**

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 2015

**Exhibit B-2**

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	General Fund	Town Outside Villages	Police	Highway	Special Districts			
REVENUES:								
Real Property Taxes	\$ 12,299,497	\$ 1,105,203	\$ 39,576,400	\$ 7,944,364	\$ 17,830,732	\$ -	\$ -	\$ 78,756,196
Other Taxes	784,099	-	285,923	-	-	-	-	1,070,022
Non-Property Taxes	1,927,063	356,043	-	-	-	-	-	2,283,106
Departmental Income	8,020,891	360,473	22,308	-	4,697,603	-	-	13,101,275
Intergovernmental Charges	-	134,445	8,325	1,976,299	-	-	-	2,119,069
Use of Money and Property	446,206	98,578	40,894	3,686	7,755	22,480	-	619,599
Licenses and Permits	7,559	735,346	-	60,550	-	-	-	803,455
Fines and Forfeitures	880,335	-	86,066	-	-	-	-	966,401
Sale of Property and Compensation for Loss	9,430	80,803	1,333	618	2,108	-	-	94,292
Interfund Revenues	5,274,039	-	-	-	-	-	-	5,274,039
State Aid	2,414,899	-	42,927	353,683	-	-	354,092	3,165,601
Federal Aid	1,777	-	14,561	35,295	-	-	435,841	487,474
Miscellaneous	74,550	31,791	310,116	1,777	-	-	225,273	643,507
Total Revenues	32,140,345	2,902,682	40,388,853	10,376,272	22,538,198	22,480	1,015,206	109,384,036
EXPENDITURES:								
Current:								
General Government Support	16,800,660	17,668	121,247	-	377,134	373,563	392,692	18,082,964
Public Safety	146,463	-	39,821,749	-	-	-	-	39,968,212
Health	-	-	-	-	7,853,877	-	-	7,853,877
Transportation	137,480	-	-	7,296,905	-	-	48,027	7,482,412
Economic Opportunity and Development	495,200	-	-	-	-	-	-	495,200
Culture and Recreation	11,452,151	-	-	-	-	-	185,546	11,637,697
Home and Community Services	245,483	3,150,840	-	-	8,353,693	-	21,357	11,771,373
Debt Service:								
Principal - Serial Bonds	-	-	-	-	-	8,550,001	-	8,550,001
Interest - Serial Bonds	-	-	-	-	-	3,462,271	-	3,462,271
Interest - Bond Anticipation Notes	966,315	-	-	559,805	78,895	-	-	1,605,015
Capital Outlay	-	-	-	-	-	-	3,082,936	3,082,936
Total Expenditures	30,243,752	3,168,508	39,942,996	7,856,710	16,663,599	12,385,835	3,730,558	113,991,958
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,896,593	\$ (265,826)	\$ 445,857	\$ 2,519,562	\$ 5,874,599	\$ (12,363,355)	\$ (2,715,352)	\$ (4,607,922)

(Continued)



**TOWN OF RAMAPO, NEW YORK**

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 2015

**Exhibit B-2**

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	General Fund	Town Outside Villages	Police	Highway	Special Districts			
OTHER FINANCING SOURCES (USES):								
Proceeds from the Issuance of Serial Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,345,000	\$ 38,345,000
Premium on Sale of Serial Bonds	-	-	-	-	-	282,240	-	282,240
Proceeds from Refunding Bonds	-	-	-	-	-	8,380,430	-	8,380,430
Payments to Escrow Agent for Refunded Bonds	-	-	-	-	-	(8,285,959)	-	(8,285,959)
Sale of Real Property	1,278,526	-	-	-	-	616,474	-	1,895,000
Transfers in	720,500	-	-	-	-	11,937,335	2,135,000	14,792,835
Transfers out	(10,776,665)	(46,829)	(137,679)	(2,926,704)	(719,458)	-	(185,500)	(14,792,835)
Total Other Financing Sources (Uses)	(8,777,639)	(46,829)	(137,679)	(2,926,704)	(719,458)	12,930,520	40,294,500	40,616,711
Net Change in Fund Balances	(6,881,046)	(312,655)	308,178	(407,142)	5,155,141	567,165	37,579,148	36,008,789
Fund Balance (Deficit)(Restated), January 1, 2015	(1,851,645)	215,500	1,562,597	(541,948)	2,332,311	62,464	(30,488,765)	(28,709,486)
Fund Balance (Deficit), December 31, 2015	<u>\$ (8,732,691)</u>	<u>\$ (97,155)</u>	<u>\$ 1,870,775</u>	<u>\$ (949,090)</u>	<u>\$ 7,487,452</u>	<u>\$ 629,629</u>	<u>\$ 7,090,383</u>	<u>\$ 7,299,303</u>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK****Exhibit B-3**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2015

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

Net change in fund balances - Total Governmental Funds	\$	36,008,789
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation in the period exceeds capital outlays.

Capital outlay expenditures	\$	3,082,936	
Capital expenditures charged to fund expenses		789,297	
Depreciation expense		<u>(6,288,297)</u>	(2,416,064)

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Sale of real property	(1,895,000)	
Easements not on capital asset listing	245,000	
Gain on sale of capital assets	<u>488,043</u>	(1,161,957)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumed the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are expensed in a systematic and rational manner over the duration of the related debt in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Serial bonds issued	(38,345,000)	
Principal paid on serial bonds	8,550,001	
Premium on sale of bonds	(282,240)	
Discount on sale of bonds	59,570	
Amortization of bond premiums	41,074	
Amortization of bond discounts	(1,354)	
Amortization of loss on refunding bonds	<u>(69,085)</u>	(30,047,034)

The net operating deficit of the Internal Service Funds are reported with governmental activities	(834,170)
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Governmental Funds report Town pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the Town's pension contributions in the current period.	4,038,043
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In the Statement of Activities, certain operating expenses, (e.g., compensated absences) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Accrued interest	108,293	
Compensated absences	491,072	
Landfill closure costs	191,000	
Retirement incentives and other pension obligations	(13,329,936)	
Other post employment benefit obligations	<u>(8,593,039)</u>	(21,132,610)

Changes in net position of governmental activities	<u>\$</u>	<u>(15,545,003)</u>
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The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK****Exhibit B-4**

Proprietary Funds  
Statement of Net Position  
December 31, 2015

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	Governmental Activities - Internal Service <u>Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$ 1,359,343
Receivables:	
Due from Other Funds	108,590
Prepaid Expenses	<u>86,600</u>
Total Assets	<u>1,554,533</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	65,602
Claims Payable - Current Portion	<u>803,000</u>
Total Current Liabilities	<u>868,602</u>
Noncurrent Liabilities:	
Claims Payable - Long-term Portion	<u>7,687,656</u>
Total Liabilities	<u>8,556,258</u>
NET POSITION:	
Unrestricted (Deficit)	<u><u>\$ (7,001,725)</u></u>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK****Exhibit B-5**

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2015

	Governmental Activities - Internal Service <u>Fund</u>
OPERATING REVENUES:	
Transfers In From Other Funds	\$ 2,324,078
Insurance Recoveries	627,475
Total Operating Revenues	<u>2,951,553</u>
OPERATING EXPENSES:	
Insurance	868,458
Judgments and Claims	<u>2,919,680</u>
Total Operating Expenses	<u>3,788,138</u>
Loss from Operations	<u>(836,585)</u>
NON-OPERATING REVENUES	
Interest Income	<u>2,415</u>
Change in Net Position	(834,170)
Net Position (Deficit)(Restated) - January 1, 2015	<u>(6,167,555)</u>
Net Position (Deficit) - December 31, 2015	<u><u>\$ (7,001,725)</u></u>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK****Exhibit B-6**

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2015

	Governmental Activities - Internal Service <u>Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Departmental Charges and Other	\$ 2,324,078
Cash Received from Insurance Carriers	628,075
Cash Received from Other Funds	15,000
Cash Payments to Other Funds	(78,590)
Cash Payments to Insurance Carriers, Claimants and Other	<u>(2,406,159)</u>
Net Cash Provided by Operating Activities	<u>482,404</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
Interest Income	<u>2,415</u>
Net Increase in Cash and Cash Equivalents	484,819
Cash and Cash Equivalents - January 1, 2015	<u>874,524</u>
Cash and Cash Equivalents - December 31, 2015	<u><u>\$ 1,359,343</u></u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>	
Loss from Operations	\$ (836,585)
Adjustments to Reconcile Loss from Operations to Net Cash from Operating Activities:	
Changes in Operating Assets and Liabilities:	
Accounts Receivable	600
Accounts Payable	49,665
Due from Other Funds	15,000
Due to Other Funds	(78,590)
Claims Payable	<u>1,332,314</u>
	<u><u>\$ 482,404</u></u>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK****Exhibit B-7**

Fiduciary Funds

Statement of Net Position

December 31, 2015

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	<u>Agency Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$ 2,020,548
Accounts Receivable	<u>1,280</u>
Total Assets	<u><u>\$ 2,021,828</u></u>
LIABILITIES:	
Due to Other Funds	\$ 266,510
Accounts Payable	2,812
Deposits Payable	1,722,071
Employee Payroll Deductions	<u>30,435</u>
Total Liabilities	<u><u>\$ 2,021,828</u></u>

The Accompanying Notes to Financial Statements are an Integral Part of this Statement.

**TOWN OF RAMAPO, NEW YORK**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2015**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Ramapo (the "Town") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The Town was established in 1791 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board (the "Board") is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive officer, and the Town Comptroller serves as the chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The primary criterion for including activities within the Town's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the Town. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the Town over which the Board exercises operating control.

**Component Unit**

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The Ramapo Local Development Corporation (the "Corporation") was formed in 2008, for the purpose of acquiring, constructing, rehabilitating and improving for use by others, facilities in the territory in which its operations are principally conducted and to assist financially in the acquisition, construction, rehabilitation and improvement to such territory. The Corporation is a public benefit corporation organized under the Laws of the State of New York. The Ramapo Town Board appoints, pursuant to legislative action, the directors of the Corporation. The Directors have and exercise all the rights and powers of corporate membership created by the laws of the State of New York, the Certificate of Incorporation and the By-Laws of the Corporation.

Since inception the Corporation has primarily completed two major projects: the construction and on-going operation of a minor league baseball stadium and the construction and sale of a low income housing development. In 2011 and subsequently refinanced In 2013, the Corporation issued \$25 million in long term bonds which are guaranteed by the Town. In addition, in March of 2013, the Town entered into an operating agreement with the Corporation whereby the Town agreed to pay the costs of utilities, repairs and maintenance and certain other operating expenses of the baseball stadium. In 2015, the Town incurred aggregate expenses of \$979,908 pursuant to the operating agreement.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Component Units (Cont'd)**

Complete financial information for the Corporation can be obtained from:

Ramapo Local Development Corporation  
237 Route 59  
Suffern, New York 10901

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town as a whole with separate columns for the primary governmental activities and business-type activities, if applicable, as well as the discretely presented component unit. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants or capital projects that is required to be used to support a particular program or project. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to specific functions in the statement of activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service Funds are charges to other funds for services. Operating expenses of the Internal Service Funds include the cost of services, administrative expenses and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

**Fund Financial Statements**

The accounts of the Town are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Certain funds of the Town are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire Town. The focus of the governmental funds financial statements is on the major funds. Accordingly, the Town maintains the following fund types:

**Governmental Funds** – Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Governmental funds are further classified as major and non-major funds.

The Town reports the following major governmental funds:



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Financial Statements (Cont'd)**

**General Fund** - The general fund is the primary operating fund of the Town. This fund is used to account for all financial resources except those required to be accounted for in other funds.

**Special Revenue Funds** - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects.

The major special revenue funds of the Town are as follows:

**Town Outside Villages Fund** - The Town Outside Villages Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the Villages located within the Town. The major revenues of this fund are real property taxes, non-property taxes, departmental income and licenses and permits.

**Police Fund** - The Police Fund is used to account for police services provided to residents of the Town other than those residing in certain Villages. The major revenue of this fund is real property taxes and miscellaneous revenues.

**Highway Fund** - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes, intergovernmental charges and interfund revenues. The Highway is broken down between Town-wide Highway and Town Outside Villages Highway. Expenditures for repairs and improvements to Highways outside the boundaries of the Villages located within the Town are accounted for in the Town Outside Village Highway Fund.

**Special Districts Funds** - The Special Districts Funds are used to account for the operation and maintenance of the Town's water, ambulance, sewer, street lighting, refuse and garbage district and fire protection districts. The major revenues of this fund are real property taxes and departmental income.

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

**Proprietary Funds** - Proprietary funds are used to account for ongoing activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following proprietary funds:

**Internal Service Funds** - Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The Town maintains two internal service funds: one for Workers' Compensation Benefits Fund, and another for General Liability Claims Fund.

**Fiduciary Funds** - Fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Financial Statements (Cont'd)**

The Town reports the following fiduciary fund:

***Agency Fund*** – The Agency fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll). The Town retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Town maintains payroll and escrow deposits agency funds.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the year end. A ninety-day availability period is generally used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, retirement incentives and other pension obligations, certain claims, landfill closure costs and other post-employment benefit obligations, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The component unit is presented on the basis of accounting that most accurately reflects its activities. The component unit is accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of this fund are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. The Corporation is accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budget Procedures**

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements.

During August and September of each year the various department heads and the Supervisor develop a detailed preliminary budget for review by the board. Between the 5th and 10th of October, the board reviews the preliminary budget and, any changes resulting from that review are reflected in a tentative budget, which is then subject to review in a public hearing on or before December 10th. Public comments are taken and reviewed by the board and further changes may be made. Within five days of the hearing, the board will hold a meeting to adopt the budget in final form as prescribed by law.

If required, transfers between appropriation amounts at the function level require approval of the board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require board approval. Appropriations lapse at the end of the year except that outstanding encumbrances are re-appropriated in the succeeding year

**Cash and Cash Equivalents**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase. Such investments are stated at cost.

The Town's investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions. The Town has no investments as of December 31, 2015.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and Town subdivisions.

Restricted cash and cash equivalents represent amounts to support fund balance restrictions and unspent proceeds of debt.

**Taxes Receivable**

Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, police, highway and special districts taxes, which are due January 1st and payable without penalty to January 31st. The Town retains the total amount of town, police, highway and special districts taxes from the total collection and returns the balance plus the uncollected items to the County, which assumes collection responsibility. The Town also acts in a fiduciary capacity for the collection of school taxes. Collections and any unpaid school taxes are transferred to the County, which guarantees the balance of the levy to the school districts.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Other Receivables**

Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. An allowance for doubtful accounts of \$901,002 is recorded in the Consolidated Ambulance District, which is part of the Special District Funds within the Special Revenue Fund.

**Inventories**

There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures/expenses at the time of purchase and year-end balances at these locations are not material.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

The encumbered appropriation authority carries over into the next year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current year end.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and the governmental fund financial statements represent payments made to vendors for services that will benefit periods beyond December 31, 2015. Reported amounts in governmental funds are equally offset by a reservation of fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Interfund Receivables / Payables**

Interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Town, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column, if applicable. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Town. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town includes all such items regardless of their acquisition date or amount. The Town estimates the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

The Town's capitalization threshold is \$10,000. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Life In Years</u>
Land Improvements	20
Buildings and Improvements	25-50
Machinery and Equipment	5-20
Infrastructure	20-65

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"), and additions to/deductions from ERS's and PFRS's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Town is eligible to realize the revenue.

**Deferred Outflows and Deferred Inflows of Resources**

The Government-Wide Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by GASB standards. The Town is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Town's proportion of expenses and liabilities to the pension as a whole, differences between the Town's pension contribution and its proportionate share of contributions, and the Town's pension contributions subsequent to the pension valuation measurement date.

In addition, the Town reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Town and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Town and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The Town uses the vesting method to calculate the compensated absences amount. The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The entire compensated absence liability is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Long-Term Obligations**

In the government-wide and proprietary fund financial statements, liabilities for long-term obligations consist of general obligation bonds, compensated absences, self-insurance claims payable, landfill closure costs payable, amounts due to employees' retirement system, other post-employment benefit obligations payable (OPEB). The Town's proportionate share of the net pension liability is reported as a liability in the applicable governmental activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight line basis. Bonds Payable are reported net of applicable bond premium or discount. Debt issuance costs are expenses as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issue costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service or capital projects fund expenditures.

**Accounting 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 affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance**

The Town reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Town's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are 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, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, which, for the Town, is the Town Board. Such formal action consists of an affirmative vote by the Town Board, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Town Board removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the Town's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Town Board or by the town supervisor, to which the Town Board has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Balance (Cont'd)**

*Unassigned* - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Town to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Town to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned

**Real Property Tax Assessment and Collection Procedures**

Real property taxes are levied annually no later than December 31<sup>st</sup> and are recognized as revenue January 1<sup>st</sup> of the year for which they were levied. The Town Assessor's responsibilities are independent and distinct from those of the Town Receiver of Taxes. The Town assessment rolls are used for the levy of property taxes by the Town, the two school districts within the Town, the County of Rockland, New York ("the County") and the special districts based upon a single tax bill.

The Town of Ramapo (Receiver of Taxes) collects all real property taxes for the Town, Rockland County, Town Special Districts, and School Districts located within the Town of Ramapo. The Receiver of Taxes collects the General Property Taxes in January. The bills are mailed in early January. The tax bill covers the period of January 1<sup>st</sup> - December 31<sup>st</sup>. Payments can be made upon receipt of bill through January 31<sup>st</sup> without penalty. If they are paid after January 31<sup>st</sup>, there is a 1% penalty thru February 28<sup>th</sup>. If they are paid after February 28<sup>th</sup>, there is a 2% penalty thru March 31<sup>st</sup>. After March 31<sup>st</sup>, unpaid tax bills are turned over to the Rockland County Commissioner of Finance for collection.

**Impact of Recently Issued Accounting Principles**

The Town implemented the Following Governmental Accounting Standards Board (GASB) Statements for the year ended December 31, 2015:

Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Town was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$810,347, and was recognized as a restatement of the Town's December 31, 2014 net position on the statement of activities (see note 17).

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements during the year ended December 31, 2015 that will become effective for the Town in future years as shown below:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the Town for the year ending December 31, 2016. Management has determined that this Statement will have an impact on the basic financial statements of the Town.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the Town for the year ending December 31, 2018. Management has determined that this Statement will have an impact on the basic financial statements of the Town.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the Town for the year ending December 31, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the Town for the year ending December 31, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Town for the year ending December 31, 2019. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the Town for the year ending December 31, 2020. Management has not yet determined the impact of this Statement on the financial statements.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered.

As of December 31, 2015, the Town's bank balances were exposed to custodial credit risk as follows:

	<u>Town of Ramapo</u>	<u>Discretely Presented Component Unit - Ramapo Local Development Corporation</u>
Insured by FDIC	\$ 250,000	\$ 251,403
Collateralized	20,557,980	-
Uninsured and Uncollateralized	<u>-</u>	<u>760,119</u>
Total	<u>\$ 20,807,980</u>	<u>\$ 1,011,522</u>

**Note 3: CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2015 is as follows:

<u>Asset Class</u>	(Restated) Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Capital Assets not being Depreciated:				
Land	\$ 42,729,465	\$ -	\$ 355,094	\$ 42,374,371
Capital Assets being Depreciated:				
Land Improvements	38,783,411	2,401,833	124,407	41,060,837
Buildings and Improvements	72,145,290	666,412	1,131,642	71,680,060
Machinery and Equipment	15,427,021	803,988	1,199,806	15,031,203
Infrastructure	<u>67,272,173</u>	<u>-</u>	<u>-</u>	<u>67,272,173</u>
Total Capital Assets being Depreciated	<u>193,627,895</u>	<u>3,872,233</u>	<u>2,455,855</u>	<u>195,044,273</u>
Less Accumulated Depreciation for:				
Land Improvements	11,574,723	1,958,110	124,407	13,408,426
Buildings and Improvements	17,441,759	1,523,732	324,779	18,640,712
Machinery and Equipment	11,022,072	696,379	1,199,806	10,518,645
Infrastructure	<u>16,328,601</u>	<u>2,110,076</u>	<u>-</u>	<u>18,438,677</u>
Total Accumulated Depreciation	<u>56,367,155</u>	<u>6,288,297</u>	<u>1,648,992</u>	<u>61,006,460</u>
Total Capital Assets being Depreciated, Net	<u>137,260,740</u>	<u>(2,416,064)</u>	<u>806,863</u>	<u>134,037,813</u>
Total Capital Assets, Net	<u>\$ 179,990,205</u>	<u>\$ (2,416,064)</u>	<u>\$ 1,161,957</u>	<u>\$ 176,412,184</u>

**Note 3: CAPITAL ASSETS (CONT'D)**

Land Improvements include approximately \$23,000,000 funded by the Town in connection with the construction of the professional baseball stadium owned and operated by the Ramapo Local Development Corporation.

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

General Government Support	\$ 335,098
Public Safety	153,115
Transportation	1,586,084
Culture and Recreation	3,208,315
Home and Community Services	<u>1,005,685</u>
 Total Depreciation Expense	 <u><u>\$ 6,288,297</u></u>

Capital asset activity for the component unit for the year ended December 31, 2015 is as follows:

<u>Asset Class</u>	(Restated) Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Sales/Depreciation</u>	Balance December 31, <u>2015</u>
Capital Assets, not being Depreciated:				
Land	<u>\$ 14,229,946</u>	<u>\$ -</u>	<u>\$ (5,891,899)</u>	<u>\$ 8,338,047</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	36,729,738			36,729,738
Less Accumulated Depreciation for:				
Buildings and Improvements	<u>3,355,773</u>		<u>(1,186,808)</u>	<u>4,542,581</u>
Total Capital Assets, being Depreciated, Net	<u>33,373,965</u>	<u>-</u>	<u>1,186,808</u>	<u>32,187,157</u>
Total Capital Assets, Net	<u><u>\$ 47,603,911</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (4,705,091)</u></u>	<u><u>\$ 40,525,204</u></u>

**Note 4: SHORT-TERM OBLIGATIONS**

The schedule below details the changes in short-term capital borrowings during the year ended December 31, 2015:

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Renewed</u>	<u>Redemptions</u>	<u>Balance December 31, 2015</u>
Bond Anticipation Notes Payable:							
Various Projects	2010	2015	4.00%	\$ 30,160,000	\$ -	\$ 30,160,000	\$ -
Various Projects	2014	2015	4.00%	8,400,000		8,400,000	
Various Projects	2014	2016	2.95%		2,000,000		2,000,000
				<u>\$ 38,560,000</u>	<u>\$ 2,000,000</u>	<u>\$ 38,560,000</u>	<u>\$ 2,000,000</u>
Redemptions from Budget Appropriations					\$ -	\$ 2,135,000	
Renewed					2,000,000	2,000,000	
Redemption from Serial Bonds Issued						34,425,000	
					<u>\$ 2,000,000</u>	<u>\$ 38,560,000</u>	

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$1,605,015 were recorded in the individual fund level financial statements as per below.

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 966,315
Special Revenue Funds:	
Highway Fund	559,805
Special Districts Fund - Sewer	<u>78,895</u>
	<u>\$ 1,605,015</u>

Interest expense of \$831,307 was recorded in the governmental-wide financial statements.

**Notes to Financial Statements (Cont'd)**  
**For the Year Ended December 31, 2015**

**Note 5: LONG-TERM LIABILITIES**

During the year ended December 31, 2015, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance January 1, 2015	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 94,719,631	\$ 47,455,000	\$ 17,504,631	\$ 124,670,000	\$ 9,960,000
Plus - Unamortized Bond Premium	63,671	282,240	41,074	304,837	-
Less - Unamortized Bond Discount		(59,570)	(1,354)	(58,216)	-
	<u>94,783,302</u>	<u>47,677,670</u>	<u>17,544,351</u>	<u>124,916,621</u>	<u>9,960,000</u>
Other Noncurrent Liabilities:					
Compensated Absences	7,096,069	218,928	710,000	6,604,997	660,500
Claims Payable	7,158,342	4,325,585	2,993,271	8,490,656	328,000
Landfill Closure Costs	1,379,100		191,000	1,188,100	270,448
Retirement Incentives and Other Pension Obligations Payable	9,162,722	16,140,199	2,810,263	22,492,658	1,952,695
Other Post Employment Benefit Obligations Payable	44,803,696	15,007,395	6,414,356	53,396,735	-
Net Pension Liability:					
ERS	3,230,588	3,033,487	3,848,927	2,415,148	-
PFRS	<u>1,770,822</u>	<u>4,468,567</u>	<u>5,068,540</u>	<u>1,170,849</u>	<u>-</u>
Total Other Noncurrent Liabilities	<u>74,601,339</u>	<u>43,194,161</u>	<u>22,036,357</u>	<u>95,759,143</u>	<u>3,211,643</u>
Total Governmental Activities	<u>\$ 169,384,641</u>	<u>\$ 90,871,831</u>	<u>\$ 39,580,708</u>	220,675,764	<u>\$ 13,171,643</u>
				(13,171,643)	
				<u>\$ 207,504,121</u>	
Component Unit:					
Bonds Payable	\$ 24,565,000	\$ -	\$ 530,000	\$ 24,035,000	\$ 540,000
Plus - Unamortized Bond Premium	<u>2,321,767</u>		<u>85,991</u>	<u>2,235,776</u>	<u>-</u>
Total Component Unit	<u>\$ 26,886,767</u>	<u>\$ -</u>	<u>\$ 615,991</u>	26,270,776	<u>\$ 540,000</u>
				(540,000)	
				<u>\$ 25,730,776</u>	

Each governmental fund's liability for compensated absences, claims payable, landfill closure costs, retirement incentives and other pension obligations and other post-employment benefit obligations is liquidated by the respective fund. The Town's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded by the General and Special Revenue funds.

**Notes to Financial Statements (Cont'd)**  
**For the Year Ended December 31, 2015**

**Note 5: LONG-TERM LIABILITIES (CONT'D)**

**Bonds Payable (Cont'd)** – Bonds payable at December 31, 2015 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance December 31, 2015</u>	<u>Amount Due in One Year</u>
Serial Bonds:						
Refunding Bonds	2004	\$ 7,995,000	July 2016	2.250 - 4.000%	\$ 395,000	\$ 395,000
Public Improvements (Series A)	2006	12,050,000	August 2021	3.750 - 4.000%	5,735,000	860,000
Public Improvements (Series B)	2006	10,000,000	May 2036	4.375 - 4.500%	8,410,000	240,000
Public Improvements (Series A-1)	2008	8,050,000	September 2030	4.000 - 4.500%	5,210,000	480,000
Public Improvements (Series A-2)	2008	11,935,000	September 2030	4.000 - 4.500%	10,375,000	260,000
Public Improvements (Series B)	2008	15,000,000	September 2023	4.500 - 5.625%	9,385,000	965,000
Public Improvements (Series A)	2010	12,000,000	September 2022	2.000 - 3.000%	7,435,000	985,000
Refunding Bonds	2012	3,985,000	June 2016	2.000 - 3.000%	735,000	735,000
Public Improvements (Series A)	2012	19,330,000	November 2025	2.000 - 3.000%	17,400,000	640,000
Public Improvements (Series A)	2013	1,000,000	March 2028	2.000 - 3.500%	890,000	60,000
Refunding Bonds	2013	11,245,000	March 2034	2.000 - 5.000%	8,990,000	1,475,000
Public Improvements (Series A)	2014	2,495,000	May 2024	4.000%	2,290,000	215,000
Public Improvements (Series A)	2015	33,345,000	May 2028	3.000 - 4.125%	33,345,000	1,565,000
Public Improvements (Series B)	2015	5,000,000	May 2026	3.000 - 5.000%	5,000,000	370,000
Refunding Bonds	2015	8,440,000	May 2026	2.000 - 3.750%	8,440,000	660,000
New York Environmental Facilities Corporation Bonds (EFC):						
Public Improvements Refunding Bonds	2015	230,000	October 2034	3.529 - 4.129%	195,000	35,000
Tome Valley Refunding Bonds	2015	440,000	May 2034	3.808 - 4.569%	440,000	20,000
Total Bonds Payable					<u>\$ 124,670,000</u>	<u>\$ 9,960,000</u>

\$8,550,001 and \$3,462,271 was paid during the year ending December 31, 2015, for principal and interest, respectively.

Interest expense of \$4,003,010 was recorded in the governmental-wide financial statements.

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 9,960,000	\$ 5,001,089	\$ 14,961,089
2017	9,760,000	4,055,256	13,815,256
2018	9,220,000	3,735,362	12,955,362
2019	9,480,000	3,434,037	12,914,037
2020	9,385,000	3,123,380	12,508,380
2021 - 2025	40,875,000	10,719,114	51,594,114
2026 - 2030	25,880,000	4,164,016	30,044,016
2031 - 2035	9,500,000	1,057,417	10,557,417
2036	610,000	13,725	623,725
	<u>\$ 124,670,000</u>	<u>\$ 35,303,396</u>	<u>\$ 159,973,396</u>

**Note 5: LONG-TERM LIABILITIES (CONT'D)**

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the Town's policy.

**Landfill Closure Costs** - In November of 1997 the Town closed and capped its only landfill. State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The amount reported as a landfill closure costs liability at December 31, 2015 represents an estimated amount based on 100% use of the landfill capacity less the actual expenditures to date of \$20,904,563. These expenditures have been charged to the Capital Projects Fund, which has a total project budget of \$30,375,358. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The liability for landfill post closure costs has been reflected in the government-wide financial statements.

**Net Pension Liability** - For details on the net pension liability, refer to note 10. The Town's annual required contributions to the ERS and PFRS are budgeted and paid from the various funds of the primary government. The Corporation does not participate in any pension plans.

**Note 6: LONG-TERM LIABILITIES – COMPONENT UNIT**

**Revenue Bonds Payable**

Bonds payable at December 31, 2015 are comprised of the following along with principal and interest maturities:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance December 31, 2015</u>	<u>Amount Due in One Year</u>
Refunding - Baseball Stadium Project	2013	\$ 25,000,000	March 2041	1.50% - 5.00%	\$ 24,035,000	\$ 540,000
Plus - Unamortized Premium on Original Issue of Bonds	2013				<u>2,235,776</u>	<u>-</u>
					<u>\$ 26,270,776</u>	<u>\$ 540,000</u>

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 540,000	\$ 1,094,650	\$ 1,634,650
2017	555,000	1,081,225	1,636,225
2018	575,000	1,064,275	1,639,275
2019	590,000	1,046,800	1,636,800
2020	605,000	1,028,875	1,633,875
2021 - 2025	3,340,000	4,827,650	8,167,650
2026 - 2030	4,165,000	3,957,125	8,122,125
2031 - 2035	5,315,000	2,778,125	8,093,125
2036 - 2040	6,785,000	1,271,875	8,056,875
2041	<u>1,565,000</u>	<u>34,125</u>	<u>1,599,125</u>
	<u>\$ 24,035,000</u>	<u>\$ 18,184,725</u>	<u>\$ 42,219,725</u>

The Town has guaranteed payment of bond principal and interest.

**Note 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2015 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ 6,418,701	\$ 15,012,235
Special Revenue Funds:		
Town Outside Villages	-	251,573
Police	3,286,071	-
Highway	921,360	938,150
Special Districts:		
Consolidated Water District	1,473,443	177,380
Consolidated Ambulance District	238,893	126,740
Sewer District	2,546,061	363,349
Street Lighting District	1,097,439	-
Refuse and Garbage District	1,190,487	133,275
Debt Service Fund	1,752,899	1,751,976
Capital Projects Fund	-	12,756
Proprietary Fund:		
Internal Service Funds:		
Workers' Compensation Benefits	35,000	-
General Liability Claims	73,590	-
Fiduciary Funds	-	266,510
	<u>\$ 19,033,944</u>	<u>\$ 19,033,944</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. New York State, General Municipal Law, Section 9-a, states cash advances must be repaid as soon as moneys are available, but not later than the close of the fiscal year in which the advance is made.

The above interfund balances are in excess of one year old and are thus not compliant with the above mentioned law.

**Interfund Transfers:**

	Transfers from							
	Governmental Funds							
	Special Revenue Funds							
		Special Districts						
	General Fund	Town Outside Villages	Police	Highway	Consolidated Ambulance District	Sewer District	Capital Projects Fund	Total
Transfers into								
Governmental Funds:								
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 535,000	\$ -	\$ 185,500	\$ 720,500
Debt Service Fund	9,522,465	46,829	137,679	2,154,704		75,658		11,937,335
Capital Projects Fund	1,254,200			772,000		108,800		2,135,000
	\$ 10,776,665	\$ 46,829	\$ 137,679	\$ 2,926,704	\$ 535,000	\$ 184,458	\$ 185,500	\$ 14,792,835

In general, transfers are made from the various funds to the Debt Service Fund and Capital Projects Fund for repayment of principal and interest on short and long-term debt.



**Note 8: FUND DEFICITS**

The following governmental funds and fiduciary funds reflect deficits as of December 31, 2015:

<u>Fund</u>	<u>Amount</u>
Governmental Funds:	
General Fund	\$ 8,895,585
Special Revenue Funds:	
Town Outside Villages	187,155
Highway Funds:	
Town-Wide	893,705
Proprietary Funds:	
Internal Service Funds:	
Workers' Compensation Benefits	6,910,781
General Liability Claims	90,944

The Town will address these deficits in the ensuing year.

The Workers' Compensation Benefits Fund and General Liability Claims Fund deficits are attributable to the accrual of claims including incurred but not reported claims, which will be satisfied in subsequent years. These deficits will be addressed in future periods.

**Note 9: PENSION PLANS**

**General Information about the Pension Plan**

**Plan Description**

The Town participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired.

**Note 9: PENSION PLANS (CONT'D)**

**General Information about the Pension Plan (Cont'd)**

**Plan Description (Cont'd)**

Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Vesting and Benefits Provided**

The System provides retirement benefits as well as death and disability benefits. Classes of employees covered under the System range from Tiers 1-6. Date ranges determining tier membership is as follows:

<u>Tier</u>	<u>ERS Membership</u>		<u>PFRS Membership</u>	
	<u>On or After</u>	<u>Before</u>	<u>On or After</u>	<u>Before</u>
1	-	07/01/1973	-	07/31/1973
2	07/01/1973	07/27/1976	07/31/1973	07/01/2009
3	07/27/1976	09/01/1983	07/01/2009	01/09/2010
4	09/01/1983	01/01/2010	n/a	n/a
5	01/01/2010	04/01/2012	01/09/2010	04/01/2012
6	04/01/2012	Present	04/01/2012	Present

**Tiers 1 and 2**

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

**Note 9: PENSION PLANS (CONT'D)**

**General Information about the Pension Plan (Cont'd)**

**Vesting and Benefits Provided (Cont'd)**

*Tiers 3, 4, and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

*Special Plans*

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

*Ordinary Disability Benefits*

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

*Accidental Disability Benefits*

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

**Note 9: PENSION PLANS (CONT'D)**

**General Information about the Pension Plan (Cont'd)**

**Vesting and Benefits Provided (Cont'd)**

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is provided in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

**Contributions**

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

**Note 9: PENSION PLANS (CONT'D)**

**General Information about the Pension Plan (Cont'd)**

**Contributions (Cont'd)**

Employees' Retirement System (ERS)					
<u>Dec. 31.</u>	<u>Annual Required Contribution</u>	<u>Credits &amp; Miscellaneous Adjustments</u>	<u>Amortization Payments</u>	<u>2010 Incentive Installments</u>	<u>Total Payment</u>
2015	\$ 2,879,745	\$ 96,056	\$ 450,148	\$ 104,883	\$ 3,530,832
2014	2,642,702	233,251	263,272	104,883	3,244,108
2013	2,287,006	261,546	100,036	104,884	2,753,472

Police and Fire Retirement System (PFRS)					
<u>Dec. 31.</u>	<u>Annual Required Contribution</u>	<u>Credits &amp; Miscellaneous Adjustments</u>	<u>Amortization Payments</u>	<u>2010 Incentive Installments</u>	<u>Total Payment</u>
2015	\$ 3,916,423	\$ 215,743	\$ 341,254	\$ -	\$ 4,473,420
2014	3,599,179	(17,767)	195,209	-	3,776,621
2013	3,374,168	319,384	48,103	-	3,741,655

The Town's contractually required contribution rate for the year ended December 31, 2015 was 19.07% of covered payroll for ERS and 26.84% of covered payroll for PFRS, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employee contributions during the year ended December 31, 2015 were \$130,150 to ERS and \$11,240 to PFRS.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2015, the Town reported a liability of \$2,415,148 for its proportionate share of the ERS net pension liability and \$1,170,849 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of March 31, 2015. 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 plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2015, the Town's proportion of ERS and PFRS was .0714912% and .4253619%, respectively. There was no change in either percentage from December 31, 2014.

**Note 9: PENSION PLANS (CONT'D)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

For the year ended December 31, 2015, the Town recognized, in the government-wide financial statements, pension expense of \$2,255,925 and \$2,918,225, respectively, for ERS and PFRS. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 77,312	\$ 141,197	\$ 218,509	\$ -	\$ -	\$ -
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	419,481	393,093	812,574	-	-	-
Changes of Assumptions	-	-	-	-	-	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	280,769	1,016,052	1,296,821	-	-	-
Town Contributions Subsequent to the Measurement Date	1,771,743	2,714,046	4,485,789	-	-	-
	<u>\$ 2,549,305</u>	<u>\$ 4,264,388</u>	<u>\$ 6,813,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending Dec 31,</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ 194,390	\$ 329,723	\$ 524,113
2017	194,390	329,723	524,113
2018	194,390	329,723	524,113
2019	194,392	329,723	524,115
2020	-	231,450	231,450
	<u>\$ 777,562</u>	<u>\$ 1,550,342</u>	<u>\$ 2,327,904</u>

**Note 9: PENSION PLANS (CONT'D)**

**Actuarial Assumptions**

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.7%	2.7%
Salary Scale	4.9%, Indexed by Service	6.0%, Indexed by Service
Cost of Living Adjustments	1.4% Annually	1.4% Annually
Investment Rate of Return, Compounded Annually, net of Investment Expenses, Including Inflation	7.5%	7.5%
Mortality Rate Table	Society of Actuaries Scale MP-2014	Society of Actuaries Scale MP-2014
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	April 1, 2005 - March 31, 2010	April 1, 2005 - March 31, 2010

Annuitant mortality rates are based on April 1, 2005 – March 31, 2010 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below:

**Note 9: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	7.30%
International Equity	13.00%	8.55%
Private Equity	10.00%	11.00%
Real Estate	8.00%	8.25%
Absolute Return Strategies	3.00%	6.75%
Opportunistic Portfolio	3.00%	8.60%
Real Assets	3.00%	8.65%
Bonds and Mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-Indexed Bonds	2.00%	4.00%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to calculate both the ERS and PFRS total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.50%)</u>
Town's Proportionate Share of the Net Pension Liability (Asset):			
ERS	\$ 16,098,009	\$ 2,415,148	\$ (9,136,579)
PFRS	15,589,247	1,170,849	(10,912,638)



**Note 9: PENSION PLANS (CONT'D)**

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2015, were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Employers' Total Pension Liability	\$ 164,591,504,000	\$ 28,474,417,000	\$ 193,065,921,000
Plan Net Position	<u>(161,213,259,000)</u>	<u>(28,199,157,000)</u>	<u>(189,412,416,000)</u>
Employers' Net Pension Liability	<u>\$ 3,378,245,000</u>	<u>\$ 275,260,000</u>	<u>\$ 3,653,505,000</u>
System Fiduciary Net Position as a			
Percentage of Total Pension Liability	97.95%	99.03%	98.11%

**Retirement Incentives and Other Pension Obligations**

The State, at various times, will enact laws which will allow local employers to defer a portion of their retirement bill and enact laws authorizing local governments to make available various retirement incentive programs and amortize certain contribution costs. Below is a summary of these programs with which the Town opted to participate.

For the years ended December 31, 2011, 2012, 2013, 2014 and 2015, the Town elected to defer the maximum allowable ERS and PFRS retirement bill under Chapter 57 of the Laws of 2010 of the State of New York, subject to certain stipulations. The amount deferred under Chapter 57 is payable in ten annual installments including a rate of interest set by the New York State Comptroller annually, 3.31% for 2015. This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The amounts deferred for each year for ERS and PFRS are noted in the table below.

- Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for ten years in accordance with the following stipulations:
  - For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
  - For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
  - For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

**Note 9: PENSION PLANS (CONT'D)**

**Retirement Incentives and Other Pension Obligations (Cont'd)**

For the year ended December 31, 2010, the Town opted into Part A of Chapter 105 of the Laws of 2010 Retirement Incentive Program offered by ERS. The program provided eligible employees one month of additional service credit for each year of service up to 36 years. Participating employers were not required to eliminate vacated positions provided they could demonstrate, over a two year period, savings of a least one-half of the base salary of the retiring employee. The estimated cost of the program was to be approximately 60% of the employee's final average salary. Enactment of this provision resulted in a liability of \$524,420. Payments are being made over a five year period with interest at 7.5%. This liability was fully paid off at December 31, 2015.

In 2015, the Town negotiated certain concessions with its Police Benevolent Association for the new collective bargaining agreement with its police force members. As part of the negotiation, the Town entered into an agreement with the New York State and Local Retirement System (NYSLRS) to change its PFRS member benefits from Section 381-d benefits to Section 384-e. Because of this agreement with NYSLRS, the increased benefits resulted in a past service cost liability of \$14,046,494 which will be repaid over the next 10 years. The current year cost and balance due are reflected in the table below.

The following show the amounts due for each year's deferral, incentive program as well as past service cost liability as well as an amortization table for the total.

	Original Amount <u>Amortized</u>	Balance December 31, <u>2014</u>	Current Year <u>Deferral</u>	Current Year <u>Amortization</u>	Balance December 31, <u>2015</u>	Due Within <u>One Year</u>
Deferred Retirement Bill:						
2016 ERS Invoice	\$ 1,255,493	\$ -	\$ 1,255,493	\$ -	\$ 1,255,493	\$ 86,918
2015 ERS Invoice	1,521,346	1,521,346		104,188	1,417,158	107,835
2014 ERS Invoice	1,778,511	1,658,508		124,515	1,533,993	129,197
2013 ERS Invoice	1,392,435	1,145,865		128,860	1,017,005	132,726
2012 ERS Invoice	821,579	606,011		77,311	528,700	80,210
	<u>6,769,364</u>	<u>4,931,730</u>	<u>1,255,493</u>	<u>434,874</u>	<u>5,752,349</u>	<u>536,886</u>
2016 PFRS Invoice	838,212		838,212		838,212	58,029
2015 PFRS Invoice	1,491,794	1,491,794		102,164	1,389,630	105,740
2014 PFRS Invoice	1,389,931	1,296,147		97,310	1,198,837	100,969
2013 PFRS Invoice	1,254,850	1,032,644		116,128	916,516	119,612
2012 PFRS Invoice	395,055	291,400		37,174	254,226	38,570
	<u>5,369,842</u>	<u>4,111,985</u>	<u>838,212</u>	<u>352,776</u>	<u>4,597,421</u>	<u>422,920</u>
Total Deferred Retirement Bill	<u>12,139,206</u>	<u>9,043,715</u>	<u>2,093,705</u>	<u>787,650</u>	<u>10,349,770</u>	<u>959,806</u>
Early Retirement Incentive:						
2010 ERS	<u>524,420</u>	<u>119,007</u>	<u>-</u>	<u>119,007</u>	<u>-</u>	<u>-</u>
Past Service Cost Liability:						
2016 PFRS	<u>14,046,494</u>		<u>14,046,494</u>	<u>1,903,606</u>	<u>12,142,888</u>	<u>992,889</u>
Total Retirement Incentives and Other Pension Obligations	<u>\$ 26,710,120</u>	<u>\$ 9,162,722</u>	<u>\$ 16,140,199</u>	<u>\$ 2,810,263</u>	<u>22,492,658</u> <u>(1,952,695)</u>	<u>\$ 1,952,695</u>
					<u>\$ 20,539,963</u>	

**Note 9: PENSION PLANS (CONT'D)**

**Retirement Incentives and Other Pension Obligations (Cont'd)**

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,952,695	\$ 1,268,374	\$ 3,221,069
2017	2,060,112	1,160,956	3,221,068
2018	2,174,252	1,046,816	3,221,068
2019	2,295,581	925,488	3,221,069
2020	2,424,582	796,485	3,221,067
2021 - 2025	10,876,044	1,802,105	12,678,149
2026 - 2027	709,392	30,917	740,309
	<u>\$ 22,492,658</u>	<u>\$ 7,031,141</u>	<u>\$ 29,523,799</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The Town provides certain postretirement health care benefits for retired employees through a single employer defined benefit plan. The benefits include medical/prescription, Medicare Part B, dental and vision. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The costs of retiree health care benefits are recognized as an expense/expenditure as claims are paid. The Town, as administrator of the plan, does not issue a separate report.

The number of participants as of January 1, 2014, the most recent actuarial valuation date, is as follows:

Active Employees	320
Retired Employees	<u>205</u>
	<u>525</u>

There have been no significant changes in the number of employees or the types of coverage since that date.

**Funding Policy** - The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The costs of providing these postemployment benefits are shared between the town and the retired employee.

**Retirees** - The Town presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Town pays 100% of the cost for retirees and their spouse during the retiree's lifetime and 100% of the cost of a surviving spouse for 1 year full of coverage. The Town's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$4,185,148, \$3,613,646, and \$4,071,136, respectively.

**Future Retirees** - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Town is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$13,215,247 at an unfunded discount rate of 4.0%. As stated above, the Town has funded the cost of existing retirees in the amount of \$4,185,148, and has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

The Required Supplementary Information contains a schedule of funding progress that present multi-year trend information for actuarial values of plan assets and accrued liabilities.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Annual Other Postemployment Benefit (OPEB) Cost** - The Town's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	Town Year Ended December 31,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution	\$ 13,215,247	\$ 12,532,846	\$ 11,272,631
Interest on the Net OPEB Obligation	1,792,148	1,447,769	1,168,748
Adjustment to ARC	<u>(2,229,208)</u>	<u>(1,757,482)</u>	<u>(1,394,740)</u>
Annual OPEB Cost	12,778,187	12,223,133	11,046,639
Contributions Made	<u>(4,185,148)</u>	<u>(3,613,646)</u>	<u>(4,071,136)</u>
Increase in the Net OPEB Obligation	8,593,039	8,609,487	6,975,503
Net Open Obligation - Beginning of Year	<u>44,803,696</u>	<u>36,194,209</u>	<u>29,218,706</u>
Net Open Obligation - End of Year	<u>\$ 53,396,735</u>	<u>\$ 44,803,696</u>	<u>\$ 36,194,209</u>
Percentage of Annual OPEB Cost Contributed	32.75%	29.56%	36.85%

**Funded Status and Funding Progress** – Using the report from the January 1, 2014, the most recent actuarial valuation date, the results were rolled forward to January 1, 2015 to calculate the Town's year-ended December 31, 2015 amounts. The actuarial accrued liability for benefits as of January 1, 2014 was \$147,340,413, and there was no actuarial value of plan assets resulting in the plan not being funded and a unfunded actuarial accrued liability (UAAL) of \$147,340,413.

The covered payroll (annual payroll of active employees covered by the plan) was \$33,256,412 and the ratio of the UAAL to the covered payroll was 443.04%. For additional information, please refer to the Required Supplementary Information – Part III, Schedule of Funding Progress for Other Postemployment Benefits Plan, following the notes to the financial statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefits Plan, presented as Required Supplementary Information – Part III, following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Actuarial Methods and Assumptions (Cont'd)** - In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- Funding Interest Rate - 4.00%
- Mortality - Sex-distinct mortality rates from Tables 1 through 4, with a 50% weight to the white collar experience and 50% to the labor experience. Future mortality improvements were projected using the Society of Actuaries Mortality Projection Scale MP 2014. Disability rates were based on Tables 5 and 6 with similar projections of future mortality improvements.
- 2014 Medical Trend Rates - 9.00%
- Ultimate Medical Trend Rate - 4.75%
- Year Ultimate Trend Rate Reached - 2020
- Annual Payroll Increase - 2.50%
- Remaining Amortization Period at December 31, 2014 – 24.43 years
- Retirement Rates

<u>Age</u>	<u>Years of Service</u>		
	<u>0-19</u>	<u>20-29</u>	<u>30+</u>
55	6.10%	8.56%	52.92%
60	5.01%	8.13%	22.15%
65	17.11%	29.61%	32.22%
69	14.12%	22.94%	27.00%
70 +	100.00%	100.00%	100.00%

**Note 11: RISK MANAGEMENT**

**Workers' Compensation Claims** - The Town is self-insured for Workers' Compensation Claims up to \$700,000 per incident with an aggregate of \$2,000,000. A commercial policy is maintained for claims in excess of \$700,000 per occurrence. The workers' compensation insurance claims liability (incurred) is based on an analysis prepared by management, with the assistance of a third party administrator and is based on historical trends. The remaining claims liability (incurred) is based on an evaluation performed by an independent actuary. The total liability of \$8,354,114 consists of claims reported and payable of \$4,219,509, as well as an estimate for claims IBNR of \$3,809,605.

There have been no settlements that exceed the Town's coverage for years ended December 31, 2014, and 2013. There was one claim for the year ended December 31, 2015 which is believed to have the potential of reaching expenses totaling \$786,060, which is \$86,060 in excess of the per occurrence limits. To date the Town has only paid \$184,342 towards this claim. In the event expenses do exceed the \$700,000 per occurrence limit, the Town's commercial insurance would cover those amounts.

**General Liability Claims** - The Town maintained a general liability insurance policy with a deductible of \$50,000 per occurrence subject to an annual maximum deductible of \$200,000. The general liability insurance claims liability (incurred) is based on an analysis prepared by management, and is based on historical trends. The remaining claims liability (incurred) is based on an evaluation performed by an independent actuary. The total liability of \$136,542 consists of claims reported and payable of \$63,542, as well as an estimate for claims IBNR of \$70,000.

There have been no settlements that exceed the Town's coverage for years ended December 31, 2015, 2014, and 2013.

The following is a summary of the claims liability of the Town's internal service funds for self-insured workers' compensation and general liability for the current and previous years:

	<u>Workers'</u> <u>Compensation</u> <u>Benefits</u>	<u>General</u> <u>Liability</u> <u>Claims</u>	<u>Total</u>
Claim Liability Balance - January 1, 2015 (Restated)	\$ 7,047,342	\$ 111,000	\$ 7,158,342
Incurred Claims	3,834,541	491,044	4,325,585
Payment of Claims	<u>(2,527,769)</u>	<u>(465,502)</u>	<u>(2,993,271)</u>
Claim Liability Balance - December 31, 2015	<u>\$ 8,354,114</u>	<u>\$ 136,542</u>	<u>\$ 8,490,656</u>
Current Portion of Claims Payable	<u>\$ 800,000</u>	<u>\$ 3,000</u>	<u>\$ 803,000</u>
Long-term Portion of Claims Payable	<u>\$ 7,554,114</u>	<u>\$ 133,542</u>	<u>\$ 7,687,656</u>

**Note 12: COMPENSATED ABSENCES**

The Town accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Police officers, upon separation of employment, are entitled to compensation for unused vacation leave and compensatory time. Unused holidays up to a maximum of seven days may be paid at the current salary level or added to accumulated vacation leave. Civil service employees may also accumulate vacation time. Upon retirement, these employees are compensated for unused vacation leave to a maximum of 30 days. Civil service employees are entitled to accumulate compensatory time up to 80 hours. Civil service employees may be compensated for unused sick leave upon retirement. These employees may receive payment for unused sick leave accumulated in excess of 165 days to a maximum of 30 days. In addition, any unused personal days are credited to accumulated unused sick leave at the end of the year. Police officers may accumulate an unlimited amount of sick days; however, there is no compensation for unused sick leave upon separation of service. The value of compensated absences has been reflected in the government-wide financial statements.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At December 31, 2015, the liability for compensated absences reported on the government-wide statement of net position was \$6,604,997.

**Note 13: FUND BALANCES**

The following table provides the detail regarding fund balance categories and classifications for the governmental funds, which show the purposes of restricted and assigned fund balance. The unassigned fund balance (deficit) is also presented.

	Special Revenue Funds							Total
	General Fund	Town Outside Villages Fund	Police Fund	Highway Fund	Special Districts Fund	Debt Service Fund	Capital Projects Fund	
Restricted:								
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 629,629	\$ -	\$ 629,629
Capital Projects	-	-	-	-	-	-	7,090,383	7,090,383
Law Enforcement	-	-	330,748	-	-	-	-	330,748
Total Restricted	-	-	330,748	-	-	629,629	7,090,383	8,050,760
Assigned:								
Employee Benefits	98,104	-	-	-	-	-	-	98,104
Encumbrances:								
General Government Support	40,200	-	-	-	-	-	-	40,200
Public Safety	-	-	37,222	-	-	-	-	37,222
Transportation	-	-	-	2,704	-	-	-	2,704
Culture and Recreation	40,481	-	-	-	-	-	-	40,481
Home and Communities	-	-	-	-	1,843	-	-	1,843
Specific Use:								
Public Safety	-	-	1,502,805	-	-	-	-	1,502,805
Consolidated Water District	-	-	-	-	1,256,419	-	-	1,256,419
Consolidated Ambulance District	-	-	-	-	1,830,582	-	-	1,830,582
Consolidated Sewer District	-	-	-	-	2,334,510	-	-	2,334,510
Street Lighting District	-	-	-	-	1,250,437	-	-	1,250,437
Refuse and Garbage District	-	-	-	-	813,359	-	-	813,359
Combined Fire District	-	-	-	-	302	-	-	302
Total Assigned	178,785	-	1,540,027	2,704	7,487,452	-	-	9,208,968
Unassigned:								
Fund Balance (Deficit)	(8,911,476)	(97,155)	-	(951,794)	-	-	-	(9,960,425)
Total Fund Balances	\$ (8,732,691)	\$ (97,155)	\$ 1,870,775	\$ (949,090)	\$ 7,487,452	\$ 629,629	\$ 7,090,383	\$ 7,299,303

**Note 14: CAPITAL DEBT REFUNDING**

On September 30, 2015, the Town issued \$8,440,000 in Public Improvement Refunding Bonds with varying interest rates from 2.00% to 3.75% to advance refund \$8,285,000 of outstanding 2005 Public Improvement Bonds with varying interest rates from 4.125% to 4.30%. The bonds were issued at a discount of \$59,570. The net proceeds of \$8,285,959 (after payment of issuance costs of \$94,471) were deposited in to an irrevocable trust with an escrow agent to pay the remaining debt service payments on the 2005 Public Improvement Bonds. As a result of the current refunding, the Town will reduce its total debt service payments over the next eleven years by \$376,032, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$317,773, or 3.835518% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the Town's financial statements.

**Note 15: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amount, if any, to be immaterial.

**Litigation** - The Town is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Town, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 16: CONTRIBUTION REVENUE OF COMPONENT UNIT**

Contribution revenue of \$979,908 represents operating expenses paid by the Town on behalf of the Corporation, as follows:

<u>Operating Expense</u>	<u>Amount</u>
Employee salaries & benefits	\$ 264,958
Utilities	332,609
Repairs & maintenance	378,485
General and administrative	401
Professional fees	<u>3,455</u>
Total operating expenses	<u>\$ 979,908</u>



**Note 17: RESTATEMENT OF PRIOR PERIOD FUND BALANCES AND NET POSITION**

As indicated in note 1 to the financial statements, the Town adopted GASB Statement 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, for the year ended December 31, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government-wide statement of activities was required to record the Town's proportionate share of its net pension liabilities.

In addition, certain errors were noted during 2015, which are described below, and adjustments were required to be made which affected individual fund level financial statement beginning fund balances.

The cumulative effect on the financial statements as reported for December 31, 2014 is as follows and are presented on the following two pages.

- (1) Represents corrections of transfers made in 2014 from various funds to the Proprietary Funds – Internal Service Fund – General Liability Claims. It was discovered that transfers were made during 2014 from certain funds to cover general liability insurance claims and such transfers should have been made solely from the general fund.
- (2) Represents corrections of utility allocations made in 2014 from the general fund to other various funds. It was discovered that such allocations were not substituted and should have remained in the general fund.
- (3) Represents the cancellation of a prior year accounts receivable and corresponding deferred revenue, as well as prior year revenue recognized, for a soil removal project with Rockland County Soil District. The project was deemed cancelled and requires the amount to be written off.
- (4) Represents corrections of Proprietary Funds – Internal Service Fund – Workers' Compensation Benefits Claims Payable. It was discovered that in 2014, the incorrect amount of claims payable was accrued. An adjustment was erroneously made to the Actuary's claims payable calculation deducting certain budgeted salaries.
- (5) Represents prior year accounts receivable balances in the General Fund that were due from the Equestrian Center which were deemed uncollectable.
- (6) Represents the prior year correction of the Consolidate Ambulance District Fund's allowance for doubtful accounts. It was discovered that the allowance for doubtful accounts was being calculated as a percentage of the accounts receivable balance in totality; however, because accounts receivable consisted of a few different items that had varying rates of collectability, there should have been a more accurate accounting for calculating the allowance for doubtful accounts, based on each type of receivable.
- (7) Represents the correction for prior year transfers to the Debt Service Fund. Transfers were originally made from the Highway Fund - Town Outside Village and Sewer District Fund for anticipated debt service, however, the bonding for such transfers was never completed and the General Fund should have covered the Debt Service for those years.
- (8) Represents the Town's proportionate share of the Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS) March 31, 2014 Net Pension Liability.
- (9) Represents the Town's beginning deferred outflow of resources for ERS and PFRS contributions subsequent to the plan's measurement date.
- (10) Represents \$3,986,158 in Land transferred to the Town from the Ramapo Local Development Corporation in prior years and never recorded.
- (11) Represents landfill closure costs, net of accumulated depreciation, that were inadvertently capitalized as an asset. The payment of landfill closure costs are a reduction of an obligation, not the creation of an asset.

**Note 17: RESTATEMENT OF PRIOR PERIOD FUND BALANCE AND NET POSITION (CONT'D)**

	Balance (Deficit) Dec. 31, 2014 As Previously Reported	Correction of 2014 Transfers To General Liability - Internal Service Funds (1)	Correction of 2014 Utility Allocations (2)	Correction of Accounts Receivable Unearned Revenue and Prior Year Revenue Due to Rockland County (3)	Correction of Claims Payable (4)	Write-off of Prior Year Equestrian Center Receivables (5)	Correction of Ambulance District Allowance for Doubtful Accounts (6)	Correction of Prior Year Debt Service Transfers (7)	Balance (Deficit) Dec. 31, 2014 As Restated
<b>Fund Level Statements</b>									
<u>Governmental Funds</u>									
Fund Balance:									
General Fund	\$ 1,660,742	\$ (836,516)	\$ (796,467)	\$ -	\$ -	\$ (127,428)	\$ -	\$ (1,751,976)	\$ (1,851,645)
Special Revenue Funds:									
Town Outside Villages	203,314	12,186	-	-	-	-	-	-	215,500
Police	1,006,236	285,381	270,980	-	-	-	-	-	1,562,597
Highway:									
Town-Wide	(537,307)	213,612	(201)	-	-	-	-	-	(323,896)
Town Outside Villages	(284,505)	136,699	(246)	(600,000)	-	-	-	530,000	(218,052)
Special Districts:									
Consolidate Water District	198,528	-	95,988	-	-	-	-	-	294,516
Consolidated Ambulance District	4,486	-	-	-	-	-	360,573	-	365,059
Sewer District	(199,371)	188,638	(17,656)	-	-	-	-	1,221,976	1,193,587
Street Lighting District	11,337	-	447,602	-	-	-	-	-	458,939
Refuse and Garbage District	20,099	-	-	-	-	-	-	-	20,099
Combined Fire District	111	-	-	-	-	-	-	-	111
Debt Service Fund	62,464	-	-	-	-	-	-	-	62,464
Capital Projects Fund	(30,488,765)	-	-	-	-	-	-	-	(30,488,765)
Total Governmental Funds	(28,342,631)	-	-	(600,000)	-	(127,428)	360,573	-	(28,709,486)
<u>Proprietary Funds</u>									
Fund Balance:									
Internal Service Funds:									
Workers' Compensation Benefits	(4,173,777)	-	-	-	(1,975,698)	-	-	-	(6,149,475)
General Liability Claims	(18,080)	-	-	-	-	-	-	-	(18,080)
Total Proprietary Funds	(4,191,857)	-	-	-	(1,975,698)	-	-	-	(6,167,555)
	\$ (32,534,488)	\$ -	\$ -	\$ (600,000)	\$ (1,975,698)	\$ (127,428)	\$ 360,573	\$ -	\$ (34,877,041)

**Note 17: RESTATEMENT OF PRIOR PERIOD FUND BALANCE AND NET POSITION (CONT'D)**

	Balance (Deficit) Dec. 31, 2014 As Previously Reported	Net Pension Liability (8)	Deferred Outflow of Resources (9)	Correction of Accounts Receivable and Unearned Revenue Due to Rockland County (3)	Correction of Claims Payable (4)	Write-off of Prior Year Equestrian Center Receivables (5)	Correction of Ambulance District Allowance for Doubtful Accounts (6)	Capital Assets (10)	Capital Assets (11)	Balance (Deficit) Dec. 31, 2014 As Restated
<b>Government-Wide Statements</b>										
<b>Primary Government</b>										
Governmental Activities:										
Assets:										
Capital Assets										
Not Being Depreciated	\$ 38,743,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,986,158	\$ -	\$ 42,729,465
Being Depreciated, Net	151,120,764	-	-	-	-	-	-	-	(13,860,024)	137,260,740
Total Capital Assets	\$ 189,864,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,986,158	\$ (13,860,024)	\$ 179,990,205
Net Position (Deficit):										
Net Investment in Capital Assets	\$ 64,500,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,986,158	\$ (13,860,024)	\$ 54,626,624
Restricted for:										
Recreation	26,504	-	-	-	-	-	-	-	-	26,504
Debt Service	62,464	-	-	-	-	-	-	-	-	62,464
Law Enforcement	290,916	-	-	-	-	-	-	-	-	290,916
Unrestricted (Deficit)	(66,533,741)	(5,001,410)	4,191,063	(600,000)	(1,975,698)	(127,428)	360,573	-	-	(69,686,641)
Total Net Position (Deficit)	\$ (1,653,367)	\$ (5,001,410)	\$ 4,191,063	\$ (600,000)	\$ (1,975,698)	\$ (127,428)	\$ 360,573	\$ 3,986,158	\$ (13,860,024)	\$ (14,680,133)
Employees' Retirement System	\$ (3,230,588)	\$ 1,671,493								
Police and Fire Retirement System	(1,770,822)	2,519,570								
	\$ (5,001,410)	\$ 4,191,063								

**Note 18: OTHER MATTERS**

Securities and Exchange Commission Investigation

On April 14, 2016, the Securities and Exchange Commission ("SEC") filed a complaint and jury demand against the Town of Ramapo ("Town"), the Ramapo Local Development Corporation ("RLDC"), the former Town Supervisor and President of the RLDC, the former Executive Director of the RLDC, the Town Attorney and the former Deputy Finance Director in connection with fraudulent misrepresentations and omissions about the financial condition of the Town and the RLDC in connection with security offerings made by the Town and the RLDC between September 2010 and September 2015. According to the claim the Defendants attempted to mask the deterioration and inflate the Town's general fund in order to facilitate bond offerings.

In a parallel action on the same date, the U.S. Attorney's Office for the Southern District of New York announced an indictment charging the former Town Supervisor and President of the RLDC, and the former Executive Director of the RLDC with 22 counts of conspiracy, securities fraud and wire fraud. According to the Indictment, the defendants lied about the Town's and RLDC's financial conditions in order to ensure successful sales of municipal bonds issued by the Town and the RLDC and to get better ratings on those bonds so that the Town and the RLDC would have to pay less interest on the bonds.

On March 7, 2017, the former Executive Director of the RLDC pled guilty to securities fraud and conspiracy and was sentenced on January 2, 2018 to probation and a fine of \$20,000.

On November 29, 2017, the Town and the RLDC entered into a final judgment with the SEC which permanently enjoins the Town and RLDC from violating Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and, additionally, imposes undertakings on the Town and RLDC: (a) requiring the Town and RLDC to retain an independent consultant (IC) with municipal finance experience appointed by the Court to review and recommend improvements to the Town's and RLDC's financial reporting procedures and controls, as well as the Town's and RLDC's municipal securities offerings disclosure policies and procedures, to require the Town and RLDC to adopt any such recommendations, and for the IC to review and assess the sufficiency of the Town's and RLDC's implementation of the IC's recommendations for two full fiscal years thereafter; (b) requiring the Town and RLDC, for fiscal years 2017, 2018, and 2019, to retain an Independent Auditing Firm, not unacceptable to the SEC staff, to conduct audits of the Town's and the RLDC's annual financial statements for those fiscal years; and (c) requiring that, for a period of three years from the date of the entry of the Judgment, the Town and RLDC may not participate in the offer and sale of any municipal securities for which the Town and RLDC are issuers or obligated persons unless the Town and RLDC have, prior to each such offering retained an Independent Disclosure Counsel (IDC) not unacceptable to the SEC staff and which are also unaffiliated with the bond counsel retained for such offering. The IDC shall participate in the preparation of the disclosure document for the offering, assist the Town and RLDC in performing a reasonable investigation concerning the accuracy and completeness of that disclosure document, and render an opinion to the effect that, during its work, nothing came to its attention that would cause it to believe that the disclosure document contains, as of the date of the opinion, any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, including the disclosure therein of the terms of the Judgment in this case. The Town has been complying with all aspects of the judgment through the date of these financials.

On December 13, 2017, the former Town Supervisor and President of the RLDC was found guilty by federal jury of 20 counts of conspiracy, securities fraud and wire fraud and was sentenced to 30 months in prison and fined \$75,000.

On June 6, 2018, the SEC obtained final judgements against the former Executive Director of the RLDC, the Town Attorney and the former Deputy Finance Director. The judgement permanently enjoins the former Executive Director of the RLDC, the Town Attorney and the former Deputy Finance Director from violating Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The final judgments also order the former Deputy Finance Director to pay \$10,000 in civil penalties and the Town Attorney to pay \$25,000 in civil penalties and require the Deputy Finance Director and Town Attorney to resign from their employment with Ramapo, N.Y. and prohibit them, for five and seven years, respectively, from being employed by Ramapo. The Deputy Finance Director and Town Attorney consented to their respective final judgments without admitting or denying the allegations in the SEC's complaint.

**Note 18: OTHER MATTERS (CONT'D)**

Securities and Exchange Commission Investigation (Cont'd)

The former Executive Director of the RLDC previously pled guilty to criminal charges in the parallel criminal case brought by the U.S. Attorney's Office for the Southern District of New York. The SEC also obtained lifetime bars prohibiting them from participating in municipal bonds offerings.

On November 15, 2018, a federal court prohibited the former Town Supervisor and President of the RLDC from participating in offerings of municipal securities and ordered him to pay \$327,000 in civil penalties in a fraud action brought by the Securities and Exchange Commission.

All litigation related to the above had ended and the financial statements have been restated for certain items related to the above, see Note 17 for the details of the restatement.

Ramapo Building Inspector

On February 1, 2017, the Chief Building Inspector ("CBI") employed by the town was indicted on 188 counts of various crimes including grand larceny, official misconduct, tampering with public records, and falsifying busing records related to various building permits. The CBI allegedly undercharged contractors for building permits between October 2014 and March 2016 denying the taxpayers of the Town the full revenue that was due to them.

On July 31, 2017, the CBI pled guilty and received three to five years of probation for the different counts. The town board accepted the resignation of the CBI and New York State appointed a monitor to oversee the Town's building department.

**Note 19: SUBSEQUENT EVENTS**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**TOWN OF RAMAPO, NEW YORK****Exhibit C-1**

General Fund

Required Supplementary Information - Part II - Budgetary Comparison Schedule

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>				
Real Property Taxes	\$ 14,010,217	\$ 12,255,217	\$ 12,299,497	\$ 44,280
Other Taxes	660,000	501,324	784,099	282,775
Non-Property Taxes	1,720,000	1,720,000	1,927,063	207,063
Departmental Income	8,582,623	8,626,623	8,020,891	(605,732)
Use of Money and Property	745,000	745,000	446,206	(298,794)
Licenses and Permits	6,000	6,000	7,559	1,559
Fines and Forfeitures	950,000	950,000	880,335	(69,665)
Sale of Property and Compensation for Loss	6,000	6,000	9,430	3,430
Interfund Revenues	4,825,812	4,825,812	5,274,039	448,227
State Aid	2,389,733	2,389,733	2,414,899	25,166
Federal Aid	-	-	1,777	1,777
Miscellaneous	125,000	125,000	74,550	(50,450)
Total Revenues	34,020,385	32,150,709	32,140,345	(10,364)
<b>EXPENDITURES:</b>				
Current:				
General Government Support	14,622,830	14,668,998	16,800,660	(2,131,662)
Public Safety	35,000	37,607	146,463	(108,856)
Transportation	141,182	141,182	137,480	3,702
Economic Opportunity and Development	521,800	521,800	495,200	26,600
Culture and Recreation	9,400,577	9,605,604	11,452,151	(1,846,547)
Home and Community Services	70,347	71,243	245,483	(174,240)
Debt Service:				
Interest - Bond Anticipation Notes	966,315	966,315	966,315	-
Total Expenditures	25,758,051	26,012,749	30,243,752	(4,231,003)
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real Property	1,700,000	1,740,176	1,278,526	(461,650)
Transfers in	2,500,000	2,685,500	720,500	(1,965,000)
Transfers out	(12,462,334)	(10,632,834)	(10,776,665)	(143,831)
Total Other Financing Sources (Uses)	(8,262,334)	(6,207,158)	(8,777,639)	(2,570,481)
Net Change in Fund Balances	\$ -	\$ (69,198)	(6,881,046)	\$ (6,811,848)
Fund Balance (Deficit) (Restated), January 1, 2015			(1,851,645)	
Fund Balance (Deficit), December 31, 2015			\$ (8,732,691)	

**TOWN OF RAMAPO, NEW YORK****Exhibit C-2**

Special Revenue Fund - Town Outside Villages Fund

Required Supplementary Information - Part II - Budgetary Comparison Schedule

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2015

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>				
Real Property Taxes	\$ 1,105,203	\$ 1,105,203	\$ 1,105,203	\$ -
Other Taxes	1,511	-	-	-
Non-Property Taxes	350,000	350,000	356,043	6,043
Departmental Income	484,825	484,825	360,473	(124,352)
Intergovernmental Charges	148,300	148,300	134,445	(13,855)
Use of Money and Property	112,000	112,000	98,578	(13,422)
Licenses and Permits	550,000	550,000	735,346	185,346
Sale of Property and Compensation for Loss	75,000	75,000	80,803	5,803
Miscellaneous	17,000	18,511	31,791	13,280
	<u>2,843,839</u>	<u>2,843,839</u>	<u>2,902,682</u>	<u>58,843</u>
Total Revenues				
<b>EXPENDITURES:</b>				
Current:				
General Government Support	29,029	29,029	17,668	11,361
Home and Community Services	2,767,981	2,768,371	3,150,840	(382,469)
	<u>2,797,010</u>	<u>2,797,400</u>	<u>3,168,508</u>	<u>(371,108)</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>46,829</u>	<u>46,439</u>	<u>(265,826)</u>	<u>(312,265)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(46,829)</u>	<u>(46,829)</u>	<u>(46,829)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (390)</u>	<u>(312,655)</u>	<u>\$ (312,265)</u>
Fund Balance (Restated), January 1, 2015			<u>215,500</u>	
Fund Balance (Deficit), December 31, 2015			<u>\$ (97,155)</u>	



**TOWN OF RAMAPO, NEW YORK****Exhibit C-3**

Special Revenue Fund - Police Fund

Required Supplementary Information - Part II - Budgetary Comparison Schedule

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>				
Real Property Taxes	\$ 39,575,930	\$ 39,575,930	\$ 39,576,400	\$ 470
Other Taxes	304,308	282,717	285,923	3,206
Departmental Income	10,658	20,658	22,308	1,650
Intergovernmental Charges	-	-	8,325	8,325
Use of Money and Property	40,000	40,000	40,894	894
Fines and Forfeitures	-	-	86,066	86,066
Sale of Property and Compensation for Loss	-	-	1,333	1,333
State Aid	10,000	26,391	42,927	16,536
Federal Aid	7,000	7,000	14,561	7,561
Miscellaneous	19,780	19,780	310,116	290,336
Total Revenues	<u>39,967,676</u>	<u>39,972,476</u>	<u>40,388,853</u>	<u>416,377</u>
<b>EXPENDITURES:</b>				
Current:				
General Government Support	146,155	234,137	121,247	112,890
Public Safety	<u>39,683,842</u>	<u>39,732,078</u>	<u>39,821,749</u>	<u>(89,671)</u>
Total Expenditures	<u>39,829,997</u>	<u>39,966,215</u>	<u>39,942,996</u>	<u>23,219</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>137,679</u>	<u>6,261</u>	<u>445,857</u>	<u>439,596</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(137,679)</u>	<u>(137,679)</u>	<u>(137,679)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (131,418)</u>	<u>308,178</u>	<u>\$ 439,596</u>
Fund Balance (Restated), January 1, 2015			<u>1,562,597</u>	
Fund Balance, December 31, 2015			<u>\$ 1,870,775</u>	

**TOWN OF RAMAPO, NEW YORK****Exhibit C-4**

Special Revenue Fund - Highway Fund

Required Supplementary Information - Part II - Budgetary Comparison Schedule

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>				
Real Property Taxes	\$ 6,612,559	\$ 7,944,364	\$ 7,944,364	\$ -
Intergovernmental Charges	2,031,647	2,031,647	1,976,299	(55,348)
Use of Money and Property	4,400	4,400	3,686	(714)
Licenses and Permits	30,000	30,000	60,550	30,550
Sale of Property and Compensation for Loss	-	-	618	618
Interfund Revenues	-	-	-	-
State Aid	455,000	455,000	353,683	(101,317)
Federal Aid	-	-	35,295	35,295
Miscellaneous	-	-	1,777	1,777
Total Revenues	<u>9,133,606</u>	<u>10,465,411</u>	<u>10,376,272</u>	<u>(89,139)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government Support	403,158	403,158	-	403,158
Transportation	6,558,287	6,562,002	7,296,905	(734,903)
Debt Service:				
Interest - Bond Anticipation Notes	-	559,805	559,805	-
Total Expenditures	<u>6,961,445</u>	<u>7,524,965</u>	<u>7,856,710</u>	<u>(331,745)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,172,161</u>	<u>2,940,446</u>	<u>2,519,562</u>	<u>(420,884)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(2,172,161)</u>	<u>(2,944,161)</u>	<u>(2,926,704)</u>	<u>(17,457)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (3,715)</u>	<u>(407,142)</u>	<u>\$ (438,341)</u>
Fund Balance (Deficit)(Restated), January 1, 2015			<u>(541,948)</u>	
Fund Balance (Deficit), December 31, 2015			<u>\$ (949,090)</u>	

**TOWN OF RAMAPO, NEW YORK****Exhibit C-5**

Special Revenue Fund - Combined Special Districts Funds

Required Supplementary Information - Part II - Budgetary Comparison Schedule

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2015

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>				
Real Property Taxes	\$ 17,326,403	\$ 17,749,598	\$ 17,830,732	\$ 81,134
Departmental Income	3,561,171	3,561,171	4,697,603	1,136,432
Use of Money and Property	-	-	7,755	7,755
Sale of Property and Compensation for Loss	-	-	2,108	2,108
Total Revenues	<u>20,887,574</u>	<u>21,310,769</u>	<u>22,538,198</u>	<u>1,227,429</u>
<b>EXPENDITURES:</b>				
Current:				
General Government Support	270,630	506,130	377,134	128,996
Health	8,761,232	8,761,232	7,853,877	907,355
Home and Community Services	11,731,726	11,740,832	8,353,693	3,387,139
Debt Service:				
Interest - Bond Anticipation Notes	-	78,895	78,895	-
Total Expenditures	<u>20,763,588</u>	<u>21,087,089</u>	<u>16,663,599</u>	<u>4,423,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>123,986</u>	<u>223,680</u>	<u>5,874,599</u>	<u>5,650,919</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(123,986)</u>	<u>(232,786)</u>	<u>(719,458)</u>	<u>(486,672)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (9,106)</u>	<u>5,155,141</u>	<u>\$ 5,164,247</u>
Fund Balance (Restated), January 1, 2015			<u>2,332,311</u>	
Fund Balance, December 31, 2015			<u>\$ 7,487,452</u>	

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**SCHEDULES RELATED TO  
OTHER POSTEMPLOYMENT BENEFITS**

**TOWN OF RAMAPO, NEW YORK****Exhibit D-1**

Required Supplementary - Part III

Schedule of Funding Progress for Other Postemployment Benefits Plan

For the Year Ended December 31, 2015

			(a)		(b)	(a/b)	(c)	[(b-a)/c]
Actuarial	Actuarial	Actuarial	Actuarial	Unfunded	Actuarial			
Valuation	Value of	Accrued	Accrued	Actuarial	Accrued			
Date	Assets	Liability	Liability	Liability	Liability	Funded	Covered	UAAL as a
<u>January 1,</u>		<u>(AAL)</u>	<u>(UAAL)</u>	<u>(UAAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Percentage of</u>
								<u>Covered Payroll</u>
2014	\$ -	\$ 147,340,413	\$ 147,340,413	\$ 147,340,413	\$ -	\$ 33,256,412	443.04%	
2012	-	127,473,730	127,473,730	127,473,730	-	31,704,869	402.06%	
2010	-	116,468,422	116,468,422	116,468,422	-	40,350,497	288.64%	

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART IV**  
**SCHEDULES RELATED TO**  
**ACCOUNTING AND REPORTING FOR PENSIONS**

**TOWN OF RAMAPO, NEW YORK****Exhibit E-1**

Required Supplementary Information - Part IV

Schedule of the Town's Proportionate Share of the Net Pension Liability

Employees' Retirement System (ERS)

Last Two Fiscal Years

	<u>Measurement Date Ending March 31,</u>	
	<u>2015</u>	<u>2014</u>
Town's Proportion of the Net Pension Liability	0.0714912%	0.0714912%
Town's Proportionate Share of the Net Pension Liability	\$ 2,415,148	\$ 3,230,588
Covered Payroll (Plan Measurement Period)	\$ 18,729,889	\$ 18,276,639
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	12.89%	17.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.95%	97.15%

Note

This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWN OF RAMAPO, NEW YORK****Exhibit E-2**

Required Supplementary Information - Part IV  
Schedule of the Town's Contributions  
Employees' Retirement System (ERS)  
Last Two Fiscal Years

	Year December 31,	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 3,848,926	\$ 4,049,150
Contributions in Relation to the Contractually Required Contribution	<u>(3,848,926)</u>	<u>(4,049,150)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Town Calendar Year)	\$ 20,181,614	\$ 19,210,376
Contributions as a Percentage of Town's Covered Payroll	19.07%	21.08%

Note

This schedule is presented to illustrate the requirement to show information for 10 years.  
However, until a full 10-year trend is compiled, this presentation will only include information  
for those years for which information is available.



**TOWN OF RAMAPO, NEW YORK****Exhibit E-3**

Required Supplementary Information - Part IV

Schedule of the Town's Proportionate Share of the Net Pension Liability

Police and Fire Retirement System (PFRS)

Last Two Fiscal Years

	<u>Measurement Date Ending March 31,</u>	
	<u>2015</u>	<u>2014</u>
Town's Proportion of the Net Pension Liability	0.4253619%	0.4253619%
Town's Proportionate Share of the Net Pension Liability	\$ 1,170,849	\$ 1,770,822
Covered Payroll (Plan Measurement Period)	\$ 17,787,619	\$ 16,948,516
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	6.58%	10.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.03%	98.48%

Note

This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWN OF RAMAPO, NEW YORK****Exhibit E-4**

Required Supplementary Information - Part IV  
 Schedule of the Town's Contributions  
 Police and Fire Retirement System (PFRS)  
 Last Two Fiscal Years

	Year December 31,	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 5,068,540	\$ 4,779,632
Contributions in Relation to the Contractually Required Contribution	<u>(5,068,540)</u>	<u>(4,779,632)</u>
Covered Payroll (Town Calendar Year)	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll (January 1 - December 31)	\$ 18,883,813	\$ 18,515,467
Contributions as a Percentage of Town's Covered Payroll	26.84%	25.81%

Note

This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, this presentation will only include information  
 for those years for which information is available.

*Changes in Assumptions*

The actuarial assumptions for the mortality basis used for the January 1, 2014 actuarial valuation were changed from the RP-2000 mortality tables with generational improvements using scale AA to the RP-2014 mortality tables with generational improvements using scale MP-2014.

**OTHER SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

**TOWN OF RAMAPO, NEW YORK**
**Exhibit F-1**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REAL PROPERTY TAXES	\$ 14,010,217	\$ 12,255,217	\$ 12,299,497	\$ 44,280
OTHER TAX ITEMS:				
Payments in lieu of Taxes	450,000	291,324	519,378	228,054
Interest and Penalties on Real Property Taxes	210,000	210,000	264,721	54,721
	660,000	501,324	784,099	282,775
NON-PROPERTY TAXES:				
Non-Property Tax Distribution from County	1,720,000	1,720,000	1,927,063	207,063
DEPARTMENTAL INCOME:				
Tax Collector	2,028,500	2,028,500	1,955,256	(73,244)
Town Clerk	60,000	60,000	32,302	(27,698)
Marriage Officer Fees	60,000	60,000	44,035	(15,965)
Parks and Recreation Charges	1,397,150	1,441,150	1,353,485	(87,665)
Camp Fees	925,737	925,737	769,881	(155,856)
Pool Fees	398,172	398,172	425,112	26,940
Golf fees	1,571,564	1,571,564	1,759,136	187,572
Engineering Fees	352,000	352,000	210,287	(141,713)
Sludge Treatment Fees	220,000	220,000	189,296	(30,704)
Solid Waste	654,000	654,000	887,013	233,013
Sale of Fuel	400,000	400,000	208,009	(191,991)
Home and Community	315,500	315,500	-	(315,500)
Landfill Fees	200,000	200,000	187,079	(12,921)
	8,582,623	8,626,623	8,020,891	(605,732)
USE OF MONEY AND PROPERTY:				
Earnings on Investments	25,000	25,000	3,238	(21,762)
Rental of Real Property	590,000	590,000	442,207	(147,793)
Commissions	5,000	5,000	761	(4,239)
Rental of Equipment	125,000	125,000	-	(125,000)
	745,000	745,000	446,206	(298,794)
LICENSES AND PERMITS:				
License Fees	-	-	2,510	2,510
Dog Licenses	6,000	6,000	5,049	(951)
	6,000	6,000	7,559	1,559
FINES AND FORFEITURES:				
Fines and Forfeited Bail	950,000	950,000	880,335	(69,665)

(Continued)

**TOWN OF RAMAPO, NEW YORK**
**Exhibit F-1**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS:</b>				
Sale of Equipment	\$ 6,000	\$ 6,000	\$ 9,430	\$ 3,430
<b>INTERFUND REVENUES:</b>				
Administrative Charges	3,700,812	3,700,812	4,534,632	833,820
Gasoline Charges	700,000	700,000	308,012	(391,988)
Motor Vehicle Charges	425,000	425,000	431,395	6,395
	<u>4,825,812</u>	<u>4,825,812</u>	<u>5,274,039</u>	<u>448,227</u>
<b>STATE AID:</b>				
Mortgage Tax	1,750,000	1,750,000	1,960,817	210,817
Per Capita	430,000	430,000	427,314	(2,686)
Emergency Management Assistance	205,950	205,950	6,805	(199,145)
Home and Community Grant	-	-	852	852
Health Capital Grant	3,783	3,783	10,611	6,828
Records Management Grant	-	-	8,500	8,500
General Aid Maintenance	-	-	-	-
	<u>2,389,733</u>	<u>2,389,733</u>	<u>2,414,899</u>	<u>25,166</u>
<b>FEDERAL AID:</b>				
Emergency Management Assistance	-	-	1,777	1,777
<b>MISCELLANEOUS:</b>				
Refund of Prior Year's Expenditures	-	-	12,182	12,182
Medicare Part D Reimbursement	120,000	-	-	-
Gifts and Donations	5,000	-	-	-
Other	-	125,000	62,368	(62,632)
	<u>125,000</u>	<u>125,000</u>	<u>74,550</u>	<u>(50,450)</u>
Total Revenues	<u>34,020,385</u>	<u>32,150,709</u>	<u>32,140,345</u>	<u>(10,364)</u>
<b>OTHER FINANCING SOURCES:</b>				
Sale of Real Property	1,700,000	1,740,176	1,278,526	(461,650)
Transfers In	2,500,000	2,685,500	720,500	(1,965,000)
Total Other Financing Sources	<u>4,200,000</u>	<u>4,425,676</u>	<u>1,999,026</u>	<u>(2,426,650)</u>
Total Revenues and Other Financing Sources	<u>\$ 38,220,385</u>	<u>\$ 36,576,385</u>	<u>\$ 34,139,371</u>	<u>\$ (2,437,014)</u>

**TOWN OF RAMAPO, NEW YORK****Exhibit F-2**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Town Board	\$ 323,352	\$ 323,726	\$ 330,575	\$ (6,849)
Town Justice	868,857	868,857	958,515	(89,658)
Supervisor	601,353	601,353	460,878	140,475
Finance	1,061,549	1,061,838	917,839	143,999
Auditor	150,000	150,000	151,405	(1,405)
Receiver of Taxes	491,569	510,799	492,147	18,652
Purchasing	181,825	181,825	293,282	(111,457)
Assessments	1,724,310	1,727,747	1,655,663	72,084
Board of Assessors	25,000	25,000	25,807	(807)
Town Clerk	483,218	483,231	632,637	(149,406)
Town Attorney	1,419,538	1,419,623	2,969,998	(1,550,375)
Personnel Administration	343,661	343,661	412,199	(68,538)
Elections	402,582	402,582	392,457	10,125
Engineer	691,464	691,761	699,002	(7,241)
Central Garage	1,812,683	1,826,481	1,785,293	41,188
Central Buildings and Grounds	808,051	809,440	1,084,350	(274,910)
Central Data Processing	624,480	626,040	563,332	62,708
Hamlets	15,000	15,000	76,850	(61,850)
Town Hall	1,048,997	1,054,693	1,223,090	(168,397)
Contingency	50,000	50,000	-	50,000
Unallocated Insurance	1,493,641	1,493,641	1,672,244	(178,603)
Safety Administration and Training	1,700	1,700	3,097	(1,397)
	<u>14,622,830</u>	<u>14,668,998</u>	<u>16,800,660</u>	<u>(2,131,662)</u>
<b>PUBLIC SAFETY:</b>				
Traffic Control	<u>35,000</u>	<u>37,607</u>	<u>146,463</u>	<u>(108,856)</u>
<b>TRANSPORTATION:</b>				
Highway Superintendent	<u>141,182</u>	<u>141,182</u>	<u>137,480</u>	<u>3,702</u>
<b>ECONOMIC DEVELOPMENT:</b>				
Community Action	520,000	520,000	494,000	26,000
Veterans' Services	<u>1,800</u>	<u>1,800</u>	<u>1,200</u>	<u>600</u>
	<u>521,800</u>	<u>521,800</u>	<u>495,200</u>	<u>26,600</u>
<b>CULTURE AND RECREATION:</b>				
Recreation Administration	1,303,017	1,303,225	1,447,382	(144,157)
Park Maintenance and Security	2,444,500	2,638,710	2,854,829	(216,119)
Playgrounds and Recreation Centers	1,723,697	1,728,485	2,639,115	(910,630)
Pool	487,529	488,839	654,338	(165,499)
Golf	2,176,499	2,177,366	2,391,377	(214,011)
Youth Programs	1,045,427	1,045,427	1,247,916	(202,489)
Programs for the Aging	217,217	220,861	214,503	6,358
Historian	<u>2,691</u>	<u>2,691</u>	<u>2,691</u>	<u>-</u>
	<u>9,400,577</u>	<u>9,605,604</u>	<u>11,452,151</u>	<u>(1,846,547)</u>

(Continued)



**TOWN OF RAMAPO, NEW YORK****Exhibit F-2**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
HOME AND COMMUNITY SERVICES:				
Landfill	<u>\$ 70,347</u>	<u>\$ 71,243</u>	<u>\$ 245,483</u>	<u>\$ (174,240)</u>
DEBT SERVICE:				
Interest - Bond Anticipation Notes	<u>966,315</u>	<u>966,315</u>	<u>966,315</u>	<u>-</u>
Total Expenditures	<u>25,758,051</u>	<u>26,012,749</u>	<u>30,243,752</u>	<u>(4,231,003)</u>
OTHER FINANCING USES:				
Transfers Out	<u>12,462,334</u>	<u>10,632,834</u>	<u>10,776,665</u>	<u>(143,831)</u>
Total Expenditures and Other Financing Uses	<u><u>\$ 38,220,385</u></u>	<u><u>\$ 36,645,583</u></u>	<u><u>\$ 41,020,417</u></u>	<u><u>\$ (4,374,834)</u></u>

## **SPECIAL REVENUE FUNDS**

**TOWN OF RAMAPO, NEW YORK****Exhibit G-1**

Special Revenue Fund - Town Outside Villages Fund  
 Schedule of Revenues Compared to Budget  
 For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REAL PROPERTY TAXES	\$ 1,105,203	\$ 1,105,203	\$ 1,105,203	\$ -
OTHER TAX ITEMS:				
Payments in lieu of Taxes	1,511	-	-	-
NON-PROPERTY TAXES:				
Franchise Fees	350,000	350,000	356,043	6,043
DEPARTMENTAL INCOME:				
Safety Inspection Fees	100,000	100,000	66,834	(33,166)
Zoning Fees	50,000	50,000	39,050	(10,950)
Planning Board and Site Inspection Fees	208,325	208,325	154,982	(53,343)
Zoning Violations	25,000	25,000	21,450	(3,550)
Solid Waste	101,500	101,500	77,417	(24,083)
Other	-	-	740	740
	484,825	484,825	360,473	(124,352)
INTERGOVERNMENTAL CHARGES:				
Other Services for Other Governments	148,300	148,300	134,445	(13,855)
USE OF MONEY AND PROPERTY:				
Earnings on Investments	2,000	2,000	2,136	136
Rental of Real Property	110,000	110,000	96,442	(13,558)
	112,000	112,000	98,578	(13,422)
LICENSES AND PERMITS:				
Building and Alteration Permits	550,000	550,000	735,346	185,346
SALE OF PROPERTY AND COMPENSATION FOR LOSS:				
Sale of Refuse for Recycling	75,000	75,000	80,803	5,803
MISCELLANEOUS:				
Other	17,000	18,511	31,791	13,280
Total Revenues	\$ 2,843,839	\$ 2,843,839	\$ 2,902,682	\$ 58,843

**TOWN OF RAMAPO, NEW YORK****Exhibit G-2**

Special Revenue Fund - Town Outside Villages Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>GENERAL GOVERNMENT SUPPORT:</b>				
Unallocated Insurance	<u>\$ 29,029</u>	<u>\$ 29,029</u>	<u>\$ 17,668</u>	<u>\$ 11,361</u>
<b>HOME AND COMMUNITY SERVICES:</b>				
Health, Dental and Life Insurance	107,478	107,478	99,361	8,117
Zoning Board of Appeals	37,637	37,937	45,270	(7,333)
Planning	47,769	47,769	64,688	(16,919)
Building and Zoning	2,259,032	2,259,122	2,853,024	(593,902)
Sanitation - Solid Waste and Recycling	<u>316,065</u>	<u>316,065</u>	<u>88,497</u>	<u>227,568</u>
	<u>2,767,981</u>	<u>2,768,371</u>	<u>3,150,840</u>	<u>(382,469)</u>
Total Expenditures	<u>2,797,010</u>	<u>2,797,400</u>	<u>3,168,508</u>	<u>(371,108)</u>
<b>OTHER FINANCING USES:</b>				
Transfers Out	<u>46,829</u>	<u>46,829</u>	<u>46,829</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 2,843,839</u>	<u>\$ 2,844,229</u>	<u>\$ 3,215,337</u>	<u>\$ (371,108)</u>

**TOWN OF RAMAPO, NEW YORK**  
Special Revenue Fund - Highway Fund  
Combining Balance Sheet  
December 31, 2015

**Exhibit G-3**

	Highway Funds		
	<u>Town-Wide</u>	<u>Town Outside Villages</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 14,949	\$ 144,478	\$ 159,427
Receivables:			
Accounts, Net	-	8,374	8,374
State and Federal Aid	12,718	27,372	40,090
Due from Other Governments	-	41,128	41,128
Due from Other Funds	214,559	706,801	921,360
	<u>214,559</u>	<u>706,801</u>	<u>921,360</u>
Total Assets	<u>\$ 242,226</u>	<u>\$ 928,153</u>	<u>\$ 1,170,379</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Accounts Payable	\$ 131,357	\$ 4,975	\$ 136,332
Accrued Liabilities	319,226	325,761	644,987
Due to Other Governments	-	400,000	400,000
Due to Other Funds	847,548	90,602	938,150
	<u>847,548</u>	<u>90,602</u>	<u>938,150</u>
Total Liabilities	<u>1,298,131</u>	<u>821,338</u>	<u>2,119,469</u>
Fund Balances:			
Unassigned (Deficit)	(1,055,905)	106,815	(949,090)
	<u>(1,055,905)</u>	<u>106,815</u>	<u>(949,090)</u>
Total Liabilities and Fund Balances	<u>\$ 242,226</u>	<u>\$ 928,153</u>	<u>\$ 1,170,379</u>

**TOWN OF RAMAPO, NEW YORK****Exhibit G-4**

Special Revenue Fund - Highway Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2015

	Highway Funds		
	<u>Town-Wide</u>	<u>Town Outside Villages</u>	<u>Total</u>
<b>REVENUES:</b>			
Real Property Taxes	\$ 3,454,696	\$ 4,489,668	\$ 7,944,364
Intergovernmental Charges	56,792	1,919,507	1,976,299
Use of Money and Property	737	2,949	3,686
Licenses and Permits	-	60,550	60,550
Sale of Property and Compensation for Loss	-	618	618
State Aid	-	353,683	353,683
Federal Aid	-	35,295	35,295
Miscellaneous	-	1,777	1,777
	<u>3,512,225</u>	<u>6,864,047</u>	<u>10,376,272</u>
<b>EXPENDITURES:</b>			
Current:			
Transportation	4,244,234	3,052,671	7,296,905
Debt Service:			
Interest - Bond Anticipation Notes	-	559,805	559,805
	<u>4,244,234</u>	<u>3,612,476</u>	<u>7,856,710</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(732,009)</u>	<u>3,251,571</u>	<u>2,519,562</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers Out	-	(2,926,704)	(2,926,704)
Net Change in Fund Balances	(732,009)	324,867	(407,142)
Fund Balance (Deficit)(Restated), January 1, 2015	<u>(323,896)</u>	<u>(218,052)</u>	<u>(541,948)</u>
Fund Balance (Deficit), December 31, 2015	<u>\$ (1,055,905)</u>	<u>\$ 106,815</u>	<u>\$ (949,090)</u>

**TOWN OF RAMAPO, NEW YORK**
**Exhibit G-5**

Special Revenue Fund - Highway Fund  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2015

	Highway Funds - Town-Wide				Highway Funds - Town Outside Villages				Highway Funds - Total			
	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:												
Real Property Taxes	\$ 3,454,696	\$ 3,454,696	\$ 3,454,696	\$ -	\$ 3,157,863	\$ 4,489,668	\$ 4,489,668	\$ -	\$ 6,612,559	\$ 7,944,364	\$ 7,944,364	\$ -
Intergovernmental Charges	120,000	120,000	56,792	(63,208)	1,911,647	1,911,647	1,919,507	7,860	2,031,647	2,031,647	1,976,299	(55,348)
Use of Money and Property	2,000	2,000	737	(1,263)	2,400	2,400	2,949	549	4,400	4,400	3,686	(714)
Licenses and Permits	-	-	-	-	30,000	30,000	60,550	30,550	30,000	30,000	60,550	30,550
Sale of Property and												
Compensation for Loss	-	-	-	-	-	-	618	618	-	-	618	618
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-
State Aid	160,000	160,000	-	(160,000)	295,000	295,000	353,683	58,683	455,000	455,000	353,683	(101,317)
Federal Aid	-	-	-	-	-	-	35,295	35,295	-	-	35,295	35,295
Miscellaneous	-	-	-	-	-	-	1,777	1,777	-	-	1,777	1,777
Total Revenues	3,736,696	3,736,696	3,512,225	(224,471)	5,396,910	6,728,715	6,864,047	135,332	9,133,606	10,465,411	10,376,272	(89,139)
EXPENDITURES:												
Current:												
General Government Support	209,643	209,643	-	209,643	193,515	193,515	-	193,515	403,158	403,158	-	403,158
Transportation	3,527,053	3,529,588	4,244,234	(714,646)	3,031,234	3,032,414	3,052,671	(20,257)	6,558,287	6,562,002	7,296,905	(734,903)
Debt Service:												
Interest - Bond Anticipation Notes	-	-	-	-	-	559,805	559,805	-	-	559,805	559,805	-
Total Expenditures	3,736,696	3,739,231	4,244,234	(505,003)	3,224,749	3,785,734	3,612,476	173,258	6,961,445	7,524,965	7,856,710	(331,745)
Excess (Deficiency) of Revenues Over Expenditures	-	(2,535)	(732,009)	(729,474)	2,172,161	2,942,981	3,251,571	308,590	2,172,161	2,940,446	2,519,562	(420,884)
OTHER FINANCING SOURCES (USES):												
Transfers Out	-	-	-	-	(2,172,161)	(2,944,161)	(2,926,704)	(17,457)	(2,172,161)	(2,944,161)	(2,926,704)	(17,457)
Net Change in Fund Balances	\$ -	\$ (2,535)	(732,009)	\$ (729,474)	\$ -	\$ (1,180)	324,867	\$ 291,133	\$ -	\$ (3,715)	(407,142)	\$ (438,341)
Fund Balance (Deficit)(Restated), January 1, 2015			(323,896)				(218,052)				(541,948)	
Fund Balance (Deficit), December 31, 2015			\$ (1,055,905)				\$ 106,815				\$ (949,090)	

**TOWN OF RAMAPO, NEW YORK**

Special Revenue Fund - Combined Special Districts Funds

Combining Balance Sheet

December 31, 2015

**Exhibit G-6**

Combined Special Districts Funds							
	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting District	Refuse and Garbage District	Combined Fire Districts	Total
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 22,335	\$ 1,065	\$ 394,600	\$ 266,792	\$ 13,949	\$ 302	\$ 699,043
Receivables:							
Accounts, Net	13,003	2,143,876	11,891	-	-	-	2,168,770
Due from Other Funds	1,473,443	238,893	2,546,061	1,097,439	1,190,487	-	6,546,323
Total Assets	<u>\$ 1,508,781</u>	<u>\$ 2,383,834</u>	<u>\$ 2,952,552</u>	<u>\$ 1,364,231</u>	<u>\$ 1,204,436</u>	<u>\$ 302</u>	<u>\$ 9,414,136</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	\$ 13,683	\$ 392,741	\$ 56,066	\$ 105,573	\$ 257,802	\$ -	\$ 825,865
Accrued Liabilities	61,299	33,376	196,784	8,221	-	-	299,680
Due to Other Governments	-	395	-	-	-	-	395
Due to Other Funds	177,380	126,740	363,349	-	133,275	-	800,744
Total Liabilities	<u>252,362</u>	<u>553,252</u>	<u>616,199</u>	<u>113,794</u>	<u>391,077</u>	<u>-</u>	<u>1,926,684</u>
Fund Balances:							
Assigned	<u>1,256,419</u>	<u>1,830,582</u>	<u>2,336,353</u>	<u>1,250,437</u>	<u>813,359</u>	<u>302</u>	<u>7,487,452</u>
Total Liabilities and Fund Balances	<u>\$ 1,508,781</u>	<u>\$ 2,383,834</u>	<u>\$ 2,952,552</u>	<u>\$ 1,364,231</u>	<u>\$ 1,204,436</u>	<u>\$ 302</u>	<u>\$ 9,414,136</u>



**TOWN OF RAMAPO, NEW YORK****Exhibit G-6a**

Special Revenue Fund - Combined Special Districts Funds

Combining Balance Sheet - Fire Protection Districts

December 31, 2015

Combined Special Districts Funds					
Fire Protection Districts					
	Park Crest	Ramapo #1	Ramapo #2	Johnsontown Road	Total
ASSETS:					
Cash and Cash Equivalents	\$ 29	\$ 96	\$ 152	\$ 25	\$ 302
FUND BALANCES:					
Assigned	\$ 29	\$ 96	\$ 152	\$ 25	\$ 302

**TOWN OF RAMAPO, NEW YORK****Exhibit G-7**

Special Revenue Fund - Combined Special Districts Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2015

	Combined Special Districts Funds						
	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting District	Refuse and Garbage District	Combined Fire District	Total
REVENUES:							
Real Property Taxes	\$ 3,521,119	\$ 5,236,408	\$ 3,881,355	\$ 1,525,971	\$ 3,306,272	\$ 359,607	\$ 17,830,732
Departmental Income	-	4,617,834	79,769	-	-	-	4,697,603
Use of Money and Property	1,465	158	3,307	1,515	1,310	-	7,755
Sale of Property and Compensation for Loss	-	-	2,108	-	-	-	2,108
Total Revenues	3,522,584	9,854,400	3,966,539	1,527,486	3,307,582	359,607	22,538,198
EXPENDITURES:							
Current:							
General Government Support	-	-	17,718	-	-	359,416	377,134
Health	-	7,853,877	-	-	-	-	7,853,877
Home and Community Service	2,560,681	-	2,542,702	735,988	2,514,322	-	8,353,693
Debt Service:							
Interest - Bond Anticipation Notes	-	-	78,895	-	-	-	78,895
Total Expenditures	2,560,681	7,853,877	2,639,315	735,988	2,514,322	359,416	16,663,599
Excess (Deficiency) of Revenues Over Expenditures	961,903	2,000,523	1,327,224	791,498	793,260	191	5,874,599
OTHER FINANCING SOURCES (USES):							
Transfers Out	-	(535,000)	(184,458)	-	-	-	(719,458)
Net Change in Fund Balances	961,903	1,465,523	1,142,766	791,498	793,260	191	5,155,141
Fund Balance (Deficit)(Restated), January 1, 2015	294,516	365,059	1,193,587	458,939	20,099	111	2,332,311
Fund Balance, December 31, 2015	\$ 1,256,419	\$ 1,830,582	\$ 2,336,353	\$ 1,250,437	\$ 813,359	\$ 302	\$ 7,487,452

**TOWN OF RAMAPO, NEW YORK****Exhibit G-7a**

Special Revenue Fund - Combined Special Districts Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Fire Protection Districts

For the Year Ended December 31, 2015

	Combined Special Districts Funds				
	Fire Protection Districts				
	<u>Park Crest</u>	<u>Ramapo #1</u>	<u>Ramapo #2</u>	<u>Johnsontown Road</u>	<u>Total</u>
REVENUES:					
Real Property Taxes	\$ 5,943	\$ 105,545	\$ 240,101	\$ 8,018	\$ 359,607
EXPENDITURES:					
Current:					
General Government Support	5,920	105,499	239,999	7,998	359,416
Net Change in Fund Balances	23	46	102	20	191
Fund Balance, January 1, 2015	6	50	50	5	111
Fund Balance, December 31, 2015	<u>\$ 29</u>	<u>\$ 96</u>	<u>\$ 152</u>	<u>\$ 25</u>	<u>\$ 302</u>

## **CAPITAL PROJECTS FUND**

**TOWN OF RAMAPO, NEW YORK****Exhibit H**

Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 2015

**REVENUES:**

State Aid	\$ 354,092
Federal Aid	435,841
Miscellaneous	<u>225,273</u>
Total Revenues	<u>1,015,206</u>

**EXPENDITURES:**

Capital Outlay (Expenditures being Capitalized)	3,082,936
Capital Outlay (Expenditures under Capitalization Threshold)	<u>647,622</u>
Total Expenditures	<u>3,730,558</u>

Deficiency of Revenues Over Expenditures	(2,715,352)
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**OTHER FINANCING SOURCES (USES):**

Proceeds from the Issuance of Serial Bonds	38,345,000
Transfers In	2,135,000
Transfers Out	<u>(185,500)</u>
Total Other Financing Sources (Uses)	<u>40,294,500</u>

Net Change in Fund Balances	37,579,148
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Fund Balance (Deficit), January 1, 2015	<u>(30,488,765)</u>
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Fund Balance, December 31, 2015	<u><u>\$ 7,090,383</u></u>
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## **PROPRIETARY FUNDS**

**TOWN OF RAMAPO, NEW YORK**

Proprietary Funds

Combining Statement of Net Position

December 31, 2015

**Exhibit I-1**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation <u>Benefits</u>	General Liability <u>Claims</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,323,251	\$ 36,092	\$ 1,359,343
Receivables:			
Due from Other Funds	35,000	73,590	108,590
Prepaid Expenses	86,600	-	86,600
Total Assets	<u>1,444,851</u>	<u>109,682</u>	<u>1,554,533</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,518	64,084	65,602
Claims Payable - Current Portion	<u>800,000</u>	<u>3,000</u>	<u>803,000</u>
Total Current Liabilities	<u>801,518</u>	<u>67,084</u>	<u>868,602</u>
Noncurrent Liabilities:			
Claims Payable - Long-term Portion	<u>7,554,114</u>	<u>133,542</u>	<u>7,687,656</u>
Total Liabilities	<u>8,355,632</u>	<u>200,626</u>	<u>8,556,258</u>
<b>NET POSITION:</b>			
Unrestricted (Deficit)	<u>\$ (6,910,781)</u>	<u>\$ (90,944)</u>	<u>\$ (7,001,725)</u>

**TOWN OF RAMAPO, NEW YORK****Exhibit I-2**

Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2015

	Governmental Activities - Internal Service Funds		
	Workers' Compensation <u>Benefits</u>	General Liability <u>Claims</u>	<u>Total</u>
OPERATING REVENUES:			
Transfers In From Other Funds	\$ 1,373,610	\$ 950,468	\$ 2,324,078
Insurance Recoveries	617,385	10,090	627,475
Total Operating Revenues	1,990,995	960,558	2,951,553
OPERATING EXPENSES:			
Insurance	226,517	641,941	868,458
Judgments and Claims	2,527,769	391,911	2,919,680
Total Operating Expenses	2,754,286	1,033,852	3,788,138
Income (Loss) from Operations	(763,291)	(73,294)	(836,585)
NON-OPERATING REVENUES			
Interest Income	1,985	430	2,415
Change in Net Position	(761,306)	(72,864)	(834,170)
Net Position (Deficit)(Restated) - January 1, 2015	(6,149,475)	(18,080)	(6,167,555)
Net Position (Deficit) - December 31, 2015	<u>\$ (6,910,781)</u>	<u>\$ (90,944)</u>	<u>\$ (7,001,725)</u>



**TOWN OF RAMAPO, NEW YORK**

Proprietary Funds

Combining Statement of Cash Flows

For the Year Ended December 31, 2015

**Exhibit I-3**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation <u>Benefits</u>	General Liability <u>Claims</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Departmental Charges and Other	\$ 1,373,610	\$ 950,468	\$ 2,324,078
Cash Received from Insurance Carriers	617,385	10,690	628,075
Cash Received from Other Funds	15,000	-	15,000
Cash Payments to Other Funds	-	(78,590)	(78,590)
Cash Payments to Insurance Carriers, Claimants and Other	(1,447,304)	(958,855)	(2,406,159)
Net Cash Provided by (Used in) Operating Activities	558,691	(76,287)	482,404
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Interest Income	1,985	430	2,415
Net Increase (Decrease) in Cash and Cash Equivalents	560,676	(75,857)	484,819
Cash and Cash Equivalents - January 1, 2015	762,575	111,949	874,524
Cash and Cash Equivalents - December 31, 2015	\$ 1,323,251	\$ 36,092	\$ 1,359,343
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:</b>			
Loss from Operations	\$ (763,291)	\$ (73,294)	\$ (836,585)
Adjustments to Reconcile Loss from Operations to Net Cash from Operating Activities:			
Changes in Operating Assets and Liabilities:			
Accounts Receivable	-	600	600
Accounts Payable	210	49,455	49,665
Due from Other Funds	15,000	-	15,000
Due to Other Funds	-	(78,590)	(78,590)
Claims Payable	1,306,772	25,542	1,332,314
	\$ 558,691	\$ (76,287)	\$ 482,404