



# **Town of Ramapo, New York**

Financial Report

December 31, 2019

# Town of Ramapo, New York

## Financial Report

December 31, 2019

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## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2019, 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 these 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2019, 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**

### ***Ramapo Local Development Corporation***

As discussed in Note 1a, the Ramapo Local Development Corporation (Corporation) is economically dependent upon the Town to fund its operations. The Town has also guaranteed repayment of the Corporation's revenue bonds. Our opinions are not modified with respect to this matter.

### ***Adoption of New Accounting Standards***

As discussed in Note 1h to the financial statements, in 2019 the Town adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

### ***Coronavirus (COVID-19) Pandemic***

As discussed in Note 1i to the financial statements, the effects of COVID-19, including mitigation efforts, both nationally and locally, are having an adverse impact on the Town's 2020 financial performance. 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 required supplementary information in the accompanying table of contents be presented to supplement the basic 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 information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York  
April 30, 2020



# Town of Ramapo, New York

## Management's Discussion and Analysis December 31, 2019

The following Management's Discussion and Analysis (MD&A) is required supplementary information to the Town of Ramapo, New York's (Town) financial statements. It provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019.

These management comments, written as of April 27, 2020, also provide the benefit of perspective on certain developments after December 31, 2019, 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 condition 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 material 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.

### Financial Highlights for the Year Ended December 31, 2019

- On the December 31, 2019 government-wide financial statement, the aggregate liabilities and deferred inflows of resources of the primary government exceed its assets and deferred outflows of resources by approximately \$135.0 million resulting in a deficit net position.
- This negative government-wide net position results primarily from the required recognition of the actuarially calculated long-term other postemployment benefit (OPEB) liabilities approximating \$189.9 million and deferred pension contribution payables of \$14.0 million at December 31, 2019.
- During 2019, the General Fund operations resulted in a surplus of \$6.9 million. This was achieved as a result of realistic budgeting and effective budget management during the year. This operating surplus improved the fund balance deficit from a negative \$10.7 million at the end of 2018 to a negative \$3.8 million at December 31, 2019.
- The Town's general fund incurred \$2.1 million dollars of costs on behalf of the Ramapo Local Development Corporation (Corporation), comprising \$508 thousand of operating costs and \$1.6 million of debt service costs. These costs are reported as a contribution from the general fund to the enterprise fund financial statements.
- The Town adopted the provisions of Governmental Accounting Standard Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. The Town's fiduciary fund now consists of a custodial fund. The custodial fund financial statements consist of a statement of net position and a statement of changes in net position.
- The Town's 2020 operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. On March 7, 2020, the Governor of the State of New York declared a State disaster emergency for the entire State of New York in response to the COVID-19 pandemic and on March 19, 2020, the Supervisor declared a local state of emergency for the Town. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Town's financial position, operations and cash flows. Possible effects in 2020 may include, but are not limited to, reductions in sales tax, permit fees and recreation program revenues and increased expenses resulting directly from implementing safety protocols and the increased cost of police activity resulting from the pandemic. The Town has initiated an application to the Federal Emergency Management Agency (FEMA) for reimbursement of eligible costs.

# Town of Ramapo, New York

## Management's Discussion and Analysis December 31, 2019

### Overview of the Financial Statements

The financial statements in this report include:

- Government-wide financial statements for the Town and its blended component unit, the Corporation, which is reported as a major enterprise fund;
- Fund level financial statements for all of the Town's governmental and enterprise funds; and
- Footnote disclosures providing key information relevant to the Town'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.

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 custodial.



# **Town of Ramapo, New York**

## **Management's Discussion and Analysis December 31, 2019**

### **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, Fire Protection 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 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 reports two types of proprietary funds, an enterprise fund and two internal service funds: 1) the General Liability Claims Fund and 2) the Workers' Compensation Benefits Fund. Proprietary funds are reported on the accrual basis of accounting using the economic resources measurement focus.

The Town's enterprise fund consists of the Corporation, which was formed in 2008 by the New York State Legislature under the provisions of Section 1411 of the Not-for-Profit Corporation Law for purposes of fostering creation, retention and expansion of jobs and economic opportunities in the Town. The Corporation constructed and operates the Palisades Credit Union Park, which hosts the New York Boulders baseball team.

The internal service funds account for the cost of insurance coverage as well as the annual claims paid for general liability judgments and workers' compensation cases. The source of funding for internal service funds 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 Fund**

The Town's fiduciary activities are reported within a custodial fund. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

# Town of Ramapo, New York

## Management's Discussion and Analysis December 31, 2019

### Government-wide Financial Analysis

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

	Governmental Activities		Business-Type Activity		Total Primary Government	
	(Restated)				(Restated)	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Noncapital assets						
Cash and cash equivalents	\$ 28,872,394	\$ 26,516,015	\$ 202,411	\$ 56,723	\$ 29,074,805	\$ 26,572,738
Receivables, net	3,948,482	4,155,838	194,903	154,983	4,143,385	4,310,821
Internal balances	15,000	63,000	(15,000)	(63,000)	-	-
Other	216,600	218,476	2,040,585	2,040,585	2,257,185	2,259,061
Total noncapital assets	<u>33,052,476</u>	<u>30,953,329</u>	<u>2,422,899</u>	<u>2,189,291</u>	<u>35,475,375</u>	<u>33,142,620</u>
Capital assets	<u>154,889,691</u>	<u>158,190,872</u>	<u>35,821,412</u>	<u>37,020,715</u>	<u>190,711,103</u>	<u>195,211,587</u>
Total assets	<u>187,942,167</u>	<u>189,144,201</u>	<u>38,244,311</u>	<u>39,210,006</u>	<u>226,186,478</u>	<u>228,354,207</u>
<b>Deferred outflows of resources</b>	<u>22,923,543</u>	<u>33,421,407</u>	<u>609,167</u>	<u>636,829</u>	<u>23,532,710</u>	<u>34,058,236</u>
<b>Liabilities</b>						
Due within one year	33,863,884	30,528,181	2,160,664	2,203,619	36,024,548	32,731,800
Due in more than one year	<u>308,977,057</u>	<u>306,947,541</u>	<u>22,975,901</u>	<u>23,666,892</u>	<u>331,952,958</u>	<u>330,614,433</u>
Total liabilities	<u>342,840,941</u>	<u>337,475,722</u>	<u>25,136,565</u>	<u>25,870,511</u>	<u>367,977,506</u>	<u>363,346,233</u>
<b>Deferred inflows of resources</b>	<u>16,752,398</u>	<u>31,337,782</u>	-	-	<u>16,752,398</u>	<u>31,337,782</u>
<b>Net position (deficit)</b>						
Net investment in capital assets	72,601,927	68,105,084	12,763,767	13,314,741	85,365,694	81,419,825
Restricted	138,657	152,402	-	-	138,657	152,402
Unrestricted (deficits)	<u>(221,468,213)</u>	<u>(214,505,382)</u>	<u>953,146</u>	<u>661,583</u>	<u>(220,515,067)</u>	<u>(213,843,799)</u>
<b>Total net position (deficit)</b>	<u><b>\$ (148,727,629)</b></u>	<u><b>\$ (146,247,896)</b></u>	<u><b>\$ 13,716,913</b></u>	<u><b>\$ 13,976,324</b></u>	<u><b>\$ (135,010,716)</b></u>	<u><b>\$ (132,271,572)</b></u>

The governmental activities noncapital assets increased by \$2.1 million. The increase in noncapital assets is primarily cash and cash equivalents. The increase in cash is primarily linked to the increase in liabilities due within one year. The Town has restated the 2018 column to comply with GASB Statement 84, *Fiduciary Activities*. Capital assets within the governmental activities decreased \$3.3 million driven primarily by depreciation expense of \$6.2 million, offset by additions of \$2.9 million. The changes in deferred outflows of resources is entirely related to the net pension liability reporting provided by the New York State and Local Retirement System (System) and OPEB.

Long-term liabilities include general obligation bonds, compensated absences, self-insurance claims and judgments payable, landfill closure costs, pension and other postemployment benefit obligations. The value of the Town's proportionate net pension liability and OPEB are determined by the State of New York and an independent actuary, respectively. Total long-term liabilities increased by \$3.3 million in 2019. Significant components of this change include the Town's long-term debt, which decreased by approximately \$9.5 million, the net pension liability, which increased \$4.7 million and other postemployment benefits obligations which increased \$8.5 million. During 2019, the Town elected to amortize pension contributions of \$387 thousand over future reporting periods, while repaying \$2.5 million to the retirement system for past contribution amortizations.

The financial position of the business-type activity has remained relatively consistent and predictable. Material changes in assets represent accumulated depreciation, while major changes in liabilities represent reductions in long-term debt. Debt service payments are subsidized by the Town along with various operating expenses.

# Town of Ramapo, New York

## Management's Discussion and Analysis December 31, 2019

### Government-wide Financial Analysis - Continued

The following is a government-wide statement of changes in net position for December 31:

	Governmental Activities		Business-Type Activity		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 17,854,542	\$ 17,797,912	\$ 500,889	\$ 483,407	\$ 18,355,431	\$ 18,281,319
Operating grants and contributions	196,257	342,036	-	-	196,257	342,036
Capital grants and contributions	354,002	1,145,072	-	-	354,002	1,145,072
General revenues						
Taxes	88,387,647	86,846,875	-	-	88,387,647	86,846,875
Other	7,847,514	6,432,207	101	57	7,847,615	6,432,264
Total revenues	<u>114,639,962</u>	<u>112,564,102</u>	<u>500,990</u>	<u>483,464</u>	<u>115,140,952</u>	<u>113,047,566</u>
<b>Expenses</b>						
General governmental support	21,322,454	21,341,493	-	-	21,322,454	21,341,493
Public safety	42,813,600	41,315,616	-	-	42,813,600	41,315,616
Health	10,338,202	9,132,430	-	-	10,338,202	9,132,430
Transportation	11,213,558	10,009,246	-	-	11,213,558	10,009,246
Economic opportunity and development	500,936	525,728	-	-	500,936	525,728
Culture and recreation	12,213,750	12,490,961	-	-	12,213,750	12,490,961
Home and community services	13,251,656	11,809,390	-	-	13,251,656	11,809,390
Interest on long-term debt	3,320,244	3,648,396	-	-	3,320,244	3,648,396
Ramapo LDC	-	-	2,905,696	3,125,415	2,905,696	3,125,415
Total expenses	<u>114,974,400</u>	<u>110,273,260</u>	<u>2,905,696</u>	<u>3,125,415</u>	<u>117,880,096</u>	<u>113,398,675</u>
<b>Contributions</b>	<u>(2,145,295)</u>	<u>(2,302,215)</u>	<u>2,145,295</u>	<u>2,302,215</u>	<u>-</u>	<u>-</u>
<b>Change in net position (deficit)</b>	<b>(2,479,733)</b>	<b>(11,373)</b>	<b>(259,411)</b>	<b>(339,736)</b>	<b>(2,739,144)</b>	<b>(351,109)</b>
<b>Net position (deficit), beginning of year</b>	<u>(146,247,896)</u>	<u>(146,236,523)</u>	<u>13,976,324</u>	<u>14,316,060</u>	<u>(132,271,572)</u>	<u>(131,920,463)</u>
<b>Net position (deficit), end of year</b>	<b><u>\$ (148,727,629)</u></b>	<b><u>\$ (146,247,896)</u></b>	<b><u>\$ 13,716,913</u></b>	<b><u>\$ 13,976,324</u></b>	<b><u>\$ (135,010,716)</u></b>	<b><u>\$ (132,271,572)</u></b>

During 2019, governmental activity program revenues decreased by approximately \$880 thousand, due to decreases in operating and capital grants. During 2018, the Town received approximately \$1.1 million in transportation related capital grants, compared to \$354 thousand in 2019. Tax revenues increased \$1.5 million, primarily driven by decreases in real property tax revenues in the Police and Special Districts Funds, offset by increases in the General Fund, Town Outside Village Fund and Highway Fund. Other revenues increased \$1.4 million, primarily as the result of non-property tax revenues.

The governmental activities total expenses increased \$4.7 million or 4.1%. Nearly all governmental funds, excluding the Police Fund and Debt Service Fund, experienced increased expenditures during 2019. While the effects of changes in long-term liabilities impact governmental activity expenses, these year over year changes remained largely consistent with 2018.

The business-type activity reflects the results of operations of the Corporation. There were no significant changes in the Corporation's revenue sources. Expenses of the Corporation are closely monitored by management. Reductions in expenses of \$220 thousand are attributed to management cost containment strategies. During 2019, the Corporation received a contribution from the Town of \$2,145,295, which was entirely used to finance operations and debt service on a cash basis.

# **Town of Ramapo, New York**

## **Management's Discussion and Analysis December 31, 2019**

### **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 streetlights, 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 bond anticipation notes (BANs) 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 approximately \$14.6 million, of which \$5.4 million is restricted for public safety, debt service and capital projects. Included in this year's deficit is a total excess of expenditures and contributions over revenues of \$726 thousand. The deficit is largely attributed to capital spending of \$1.7 million dollars, for which a \$1.2 million bond anticipation note was issued. The BAN will be refinanced by long-term debt at a later date.

# Town of Ramapo, New York

## Management's Discussion and Analysis December 31, 2019

### Financial Analysis of the Town's Funds - Continued

During 2019, the Town's General Fund's fund balance improved by approximately \$6.9 million to a deficit of \$3.8 million. As part of the Town's financial plan, property taxes in the General Fund were increased by \$3.9 million, whereas the Town's Police and Special Districts Funds were comparatively lowered. As previously noted, total property tax revenues increased \$1.5 million year over year.

In 2019, the TOV Fund's fund balance increased \$833 thousand. TOV's actual revenues were \$604 thousand greater than expected largely driven by engineering fees and licenses and permits. TOV expenditures and operating transfers out were \$304 thousand less than expected. The TOV has a positive fund balance of \$2.0 million at year end.

The Police Fund's final 2019 budget called for the use of approximately \$5 million in fund balance, while actual activity resulted in a decrease of fund balance of \$4.2 million. Public safety continues to be the largest component of the Town's activities, representing 36.7% of total 2019 expenditures.

The Town's Highway Fund reported a \$249 thousand increase in fund balance. Real property taxes increased significantly along with various expenditure items, including road resurfacing, motor vehicle lease/rental, salaries and employee benefits. These expenditures are directly attributed to road improvements in the town outside village section of the Town.

The Town's Special Districts fund balance declined by approximately \$3.5 million. Both ambulance and sewer related expenditures significantly exceeded budgets, which were partially offset by slight increases in revenue. The Special Districts Fund finished the year with a positive fund balance of approximately \$9.4 million.

### General Fund Budgetary Highlights

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

	Year Ended December 31, 2019		
	Final Budget	Actual	Variance
Total revenues	\$ 45,335,388	\$ 47,601,572	\$ 2,266,184
Expenditures			
General government	23,916,630	19,984,105	3,932,525
Culture and recreation	9,359,068	8,392,269	966,799
Other program areas	1,498,080	1,287,394	210,686
Debt service	551,050	551,005	45
Total expenditures	35,324,828	30,214,773	5,110,055
Excess of revenues over expenditures	10,010,560	17,386,799	7,376,239
Other financing uses	(10,059,334)	(10,478,621)	(419,287)
<b>Operating surplus (deficit)</b>	<b>\$ (48,774)</b>	<b>\$ 6,908,178</b>	<b>\$ 6,956,952</b>

# Town of Ramapo, New York

## Management's Discussion and Analysis December 31, 2019

### General Fund Budgetary Highlights - Continued

The General Fund's actual revenues were approximately 5.0% above budgeted revenues. Significant budget fluctuations include non-property taxes, departmental income and fines and forfeitures, and interfund revenues, which were approximately \$2.3 greater than budgeted. General Fund actual expenditures were approximately 14% below budgeted expenditures due to effective cost control and cost reduction initiatives.

### Capital Assets and Debt Administration

Capital assets include land, land improvements, buildings and improvements, machinery and equipment and infrastructure. During 2019, the Town had no material capital projects in process. The primary government's investment in capital assets (net of accumulated depreciation) is \$190,711,103 at December 31, 2019.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Capital assets						
Land	\$ 40,333,786	\$ 40,333,786	8,338,047	8,054,303	\$ 48,671,833	\$ 45,206,444
Land improvements	20,570,009	22,451,854	4,447,042	4,872,658	25,017,051	30,506,157
Buildings and improvements	47,042,519	48,247,281	21,489,684	22,160,614	68,532,203	70,407,895
Machinery and equipment	4,048,115	4,067,704	1,546,639	1,933,140	5,594,754	6,000,844
Infrastructure	42,895,262	43,090,247	-	-	42,895,262	43,090,247
<b>Total capital assets, net</b>	<b><u>\$ 154,889,691</u></b>	<b><u>\$ 158,190,872</u></b>	<b><u>\$ 35,821,412</u></b>	<b><u>\$ 37,020,715</u></b>	<b><u>\$ 190,711,103</u></b>	<b><u>\$ 195,211,587</u></b>

The following tables summarizes the Town's long-term debt obligations as of December 31, 2019 and 2018:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Long-term debt						
Bonds payable	\$ 86,250,000	\$ 95,730,000	\$ 21,775,000	\$ 22,365,000	\$ 108,025,000	\$ 118,095,000
Plus unamortized premium	158,652	179,182	1,891,812	1,977,803	2,050,464	2,156,985
Less unamortized discount	(36,556)	(41,971)	-	-	(36,556)	(41,971)
<b>Total long-term debt, net</b>	<b><u>\$ 86,372,096</u></b>	<b><u>\$ 95,867,211</u></b>	<b><u>\$ 23,666,812</u></b>	<b><u>\$ 24,342,803</u></b>	<b><u>\$ 110,038,908</u></b>	<b><u>\$ 120,210,014</u></b>

In past years, the Town obtained long-term financing in the form of general obligation bonds to help finance the acquisition of capital assets. Additionally, the Town has guaranteed the bonds issued by its blended component unit, the Corporation.

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, 2019 is less than 17% of its constitutional debt limit. Detailed information regarding capital assets and the related short-term and long-term debt is presented in Notes 4, 6 and 7.

# **Town of Ramapo, New York**

## **Management's Discussion and Analysis December 31, 2019**

### **Macroeconomic Factors**

The Town is the eighth largest in New York State with a land area of approximately 61 square miles and a U.S. Census Bureau July 1, 2018 estimated population of 136,848. For the year ended December 31, 2019 the macroeconomic fundamentals of the Town have been stable. Economic highlights are as follows:

- Median value of owner-occupied housing units (2014-2018) - \$428,100 (U.S. Census Bureau)
- Median household income in 2018 dollars (2014-2018) - \$69,339 (U.S. Census Bureau)
- Annual average unemployment rates among the lowest in New York State: 2016 - 3.8%, 2017 - 4.0%, 2018 - 3.3% 2019 – 3.3% (New York State Department of Labor).
- Stable taxable assessed property valuation of \$1.6 billion (2015-2019).

### **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.

# Town of Ramapo, New York

## Government-Wide Financial Statements Statement of Net Position

	December 31, 2019		Total Primary Government
	Governmental Activities	Business-Type Activity	
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 21,319,284	\$ 202,411	\$ 21,521,695
Cash and cash equivalents, restricted	7,553,110	-	7,553,110
Receivables			
Accounts, net	2,490,531	194,903	2,685,434
Due from other governments	1,457,951	-	1,457,951
Internal balances	15,000	(15,000)	-
Prepaid expenses	86,600	-	86,600
Other assets	130,000	-	130,000
Property under sales contract	-	2,040,585	2,040,585
Total current assets	33,052,476	2,422,899	35,475,375
<b>NONCURRENT ASSETS</b>			
Capital assets			
Non-depreciable	40,333,786	8,338,047	48,671,833
Depreciable, net	114,555,905	27,483,365	142,039,270
Total assets	187,942,167	38,244,311	226,186,478
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges, pensions	22,923,543	-	22,923,543
Deferred loss on refunding	-	609,167	609,167
Total deferred outflows of resources	22,923,543	609,167	23,532,710
Total assets and deferred outflows of resources	210,865,710	38,853,478	249,719,188
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	14,357,360	4,267	14,361,627
Other liabilities	1,849,729	-	1,849,729
Bond anticipation note payable	1,200,000	-	1,200,000
Unearned revenues	131,489	-	131,489
Deposits under sales contract	-	1,162,681	1,162,681
Accrued interest payable	884,190	302,805	1,186,995
Non-current liabilities			
Due within one year	15,441,116	690,911	16,132,027
Due in more than one year			
Bonds payable	76,971,981	22,975,901	99,947,882
Compensated absences	3,984,078	-	3,984,078
Claims and judgments payable	11,976,075	-	11,976,075
Landfill closure costs	859,837	-	859,837
Net pension liability	11,350,391	-	11,350,391
Retirement incentives and other pension obligations payable	13,954,988	-	13,954,988
Other postemployment benefits liability	189,879,707	-	189,879,707
Total liabilities	342,840,941	25,136,565	367,977,506
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Real property taxes received in advance of lien date	750	-	750
Deferred charges, OPEB	12,614,986	-	12,614,986
Deferred charges, pensions	4,136,662	-	4,136,662
Total liabilities and deferred inflows of resources	16,752,398	-	16,752,398
Total liabilities and deferred inflows of resources	359,593,339	25,136,565	384,729,904
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	72,601,927	12,763,767	85,365,694
Restricted for			
Law enforcement	108,842	-	108,842
Debt service	29,815	-	29,815
Unrestricted (deficit)	(221,468,213)	953,146	(220,515,067)
Total net position (deficit)	<b>\$ (148,727,629)</b>	<b>\$ 13,716,913</b>	<b>\$ (135,010,716)</b>

See accompanying Notes to Financial Statements.



# Town of Ramapo, New York

## Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position (Deficit)		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General governmental support	\$ 21,322,454	\$ 2,547,904	\$ -	\$ -	\$ (18,774,550)	\$ -	\$ (18,774,550)
Public safety	42,813,600	49,296	196,257	-	(42,568,047)	-	(42,568,047)
Health	10,338,202	5,333,807	-	-	(5,004,395)	-	(5,004,395)
Transportation	11,213,558	3,684,256	-	354,002	(7,175,300)	-	(7,175,300)
Economic opportunity and development	500,936	-	-	-	(500,936)	-	(500,936)
Culture and recreation	12,213,750	3,087,400	-	-	(9,126,350)	-	(9,126,350)
Home and community services	13,251,656	3,151,879	-	-	(10,099,777)	-	(10,099,777)
Interest on long-term debt	3,320,244	-	-	-	(3,320,244)	-	(3,320,244)
Total Governmental Activities	114,974,400	17,854,542	196,257	354,002	(96,569,599)	-	(96,569,599)
Business-Type Activity	2,905,696	500,889	-	-	-	(2,404,807)	(2,404,807)
Total Primary Government	<u>\$ 117,880,096</u>	<u>\$ 18,355,431</u>	<u>\$ 196,257</u>	<u>\$ 354,002</u>	<u>(96,569,599)</u>	<u>(2,404,807)</u>	<u>(98,974,406)</u>
<b>GENERAL REVENUES</b>							
Real property taxes					87,486,723	-	87,486,723
Other property tax items							
Payment in lieu of taxes					563,629	-	563,629
Interest and penalties on real property taxes					337,295	-	337,295
Non-property taxes							
Franchise fees					118,917	-	118,917
Non-property distribution from Rockland County					2,250,476	-	2,250,476
Use of money and property					1,327,142	-	1,327,142
Gain on sale of real property					178,770	-	178,770
Other New York State and Rockland County taxes					3,798,815	-	3,798,815
Other revenues					173,394	101	173,495
Total general revenues					96,235,161	101	96,235,262
<b>CONTRIBUTIONS</b>					<u>(2,145,295)</u>	<u>2,145,295</u>	<u>-</u>
<b>CHANGE IN NET POSITION (DEFICIT)</b>					<b>(2,479,733)</b>	<b>(259,411)</b>	<b>(2,739,144)</b>
<b>NET POSITION (DEFICIT), beginning of year</b>					<u>(146,247,896)</u>	<u>13,976,324</u>	<u>(132,271,572)</u>
<b>NET POSITION (DEFICIT), end of year</b>					<b><u>\$ (148,727,629)</u></b>	<b><u>\$ 13,716,913</u></b>	<b><u>\$ (135,010,716)</u></b>

See accompanying Notes to Financial Statements.

**Town of Ramapo, New York**  
**Fund Financial Statements**  
**Balance Sheet - Governmental Funds**

December 31, 2019

	General	Town Outside Villages	Police	Highway	Special Districts	Debt Service	Capital Projects	Eliminations	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 5,001,685	\$ 2,318,166	\$ 9,731,743	\$ 379,428	\$ 3,150,680	\$ -	\$ -	\$ -	\$ 20,581,702
Cash and cash equivalents, restricted	-	-	108,842	-	-	23,225	7,421,043	-	7,553,110
Accounts receivable, net	374,677	86,074	8,254	2,275	2,019,251	-	-	-	2,490,531
Due from other governments	1,208,395	238,353	9,107	2,096	-	-	-	-	1,457,951
Due from other funds	6,589,409	1,235,489	3,755,785	919,466	6,577,617	1,758,566	-	(20,821,332)	15,000
Other assets	130,000	-	-	-	-	-	-	-	130,000
<b>Total assets</b>	<b>\$ 13,304,166</b>	<b>\$ 3,878,082</b>	<b>\$ 13,613,731</b>	<b>\$ 1,303,265</b>	<b>\$ 11,747,548</b>	<b>\$ 1,781,791</b>	<b>\$ 7,421,043</b>	<b>\$ (20,821,332)</b>	<b>\$ 32,228,294</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities									
Accounts payable	\$ 799,255	\$ 210,366	\$ 449,154	\$ 57,828	\$ 640,753	\$ -	\$ 930,119	\$ -	\$ 3,087,475
Accrued liabilities	2,767,982	365,911	7,004,034	929,852	169,101	-	-	-	11,236,880
Due to other governments	28,677	-	-	400,000	375	-	-	-	429,052
Due to other funds	12,399,746	882,829	3,461,493	878,929	1,513,358	1,751,976	6,592	(20,821,332)	73,591
Bond anticipation notes payable	-	-	-	-	-	-	1,200,000	-	1,200,000
Unearned revenues	131,489	-	-	-	-	-	-	-	131,489
Deposits payable	971,154	442,523	-	-	7,000	-	-	-	1,420,677
	17,098,303	1,901,629	10,914,681	2,266,609	2,330,587	1,751,976	2,136,711	(20,821,332)	17,579,164
Deferred inflows of resources									
Real property taxes received in advance of lien date	750	-	-	-	-	-	-	-	750
Fund balances									
Restricted	-	-	108,842	-	-	29,815	5,284,332	-	5,422,989
Assigned	1,914	1,976,453	2,590,208	-	9,416,961	-	-	-	13,985,536
Unassigned	(3,796,801)	-	-	(963,344)	-	-	-	-	(4,760,145)
Total fund balances	(3,794,887)	1,976,453	2,699,050	(963,344)	9,416,961	29,815	5,284,332	-	14,648,380
<b>Total liabilities and fund balances</b>	<b>\$ 13,304,166</b>	<b>\$ 3,878,082</b>	<b>\$ 13,613,731</b>	<b>\$ 1,303,265</b>	<b>\$ 11,747,548</b>	<b>\$ 1,781,791</b>	<b>\$ 7,421,043</b>	<b>\$ (20,821,332)</b>	<b>\$ 32,228,294</b>

See accompanying Notes to Financial Statements.

# Town of Ramapo, New York

## Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

	<u>December 31, 2019</u>
Total fund balances in the fund financial statements for the governmental funds.	\$ 14,648,380
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	154,889,691
Internal service funds are used by management to charge the costs of workers' compensation and general liabilities to individual governmental funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	(13,920,093)
The valuation of the other postemployment benefit obligations can result in changes in actuarial assumptions, differences between expected and actual experiences, differences between projected and actual investment earnings and changes in proportion, and differences between employer contributions and proportionate share of contributions. These items are reported as deferred outflows and deferred inflows of resources:	
Deferred inflows of resources	(12,614,986)
The valuation of pension obligations can result in changes in actuarial assumptions, differences between expected and actual experiences, differences between projected and actual investment earnings and changes in proportion, and differences between employer contributions and proportionate share of contributions. These items are reported as deferred outflows and deferred inflows of resources:	
Deferred outflows of resources	22,923,543
Deferred inflows of resources	(4,136,662)
Long-term liabilities that are not due and payable in the current period are not reported in the fund financial statements:	
Accrued interest payable	(884,190)
Bonds payable	(86,372,096)
Compensated absences	(4,426,753)
Landfill closure costs	(1,003,143)
Retirement incentives and other pension obligations payable	(16,601,222)
Other postemployment benefits liability	(189,879,707)
Net pension liability	(11,350,391)
<b>Net position (deficit) of governmental activities</b>	<b><u>\$ (148,727,629)</u></b>

# Town of Ramapo, New York

## Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2019

	General	Town Outside Villages	Police	Highway	Special Districts	Debt Service	Capital Projects	Eliminations	Total Governmental Funds
<b>REVENUES</b>									
Real property taxes	\$ 27,310,140	\$ 2,247,154	\$ 36,593,398	\$ 10,747,900	\$ 10,242,767	\$ -	\$ -	\$ -	\$ 87,141,359
Other property tax items	677,476	-	223,448	-	-	-	-	-	900,924
Non-property tax items	5,621,977	345,364	-	-	-	-	-	-	5,967,341
Departmental income	7,148,086	679,011	15,382	261,493	5,430,851	-	-	-	13,534,823
Intergovernmental charges	-	65,490	6,600	1,837,480	-	-	-	-	1,909,570
Use of money and property	409,361	168,211	410,662	69,401	140,441	98,831	-	-	1,296,907
Licenses and permits	6,098	1,135,237	-	55,850	-	-	-	-	1,197,185
Fines and forfeitures	1,327,246	-	4,635	-	-	-	-	-	1,331,881
Sale of property and compensation for loss	81,931	89,670	23,414	57,000	-	-	-	-	252,015
Miscellaneous	45,392	40,032	162,935	14,325	30,635	-	76,020	-	369,339
State aid	427,314	-	24,150	233,219	-	-	44,763	-	729,446
Federal aid	-	-	9,172	-	-	-	-	-	9,172
Interfund revenues	4,546,551	-	-	-	-	-	-	(4,546,551)	-
Total revenues	<u>47,601,572</u>	<u>4,770,169</u>	<u>37,473,796</u>	<u>13,276,668</u>	<u>15,844,694</u>	<u>98,831</u>	<u>120,783</u>	<u>(4,546,551)</u>	<u>114,639,962</u>
<b>EXPENDITURES</b>									
General government support	19,984,105	-	-	-	-	1,123	-	-	19,985,228
Public safety	213,391	-	41,536,049	-	505,450	-	-	(2,957,565)	39,297,325
Health	-	-	-	-	9,604,754	-	-	(113,440)	9,491,314
Transportation	269,677	-	-	9,409,083	-	-	-	(370,749)	9,308,011
Economic opportunity and development	459,900	-	-	-	-	-	-	-	459,900
Culture and recreation	8,392,269	-	-	-	-	-	-	-	8,392,269
Home and community services	344,426	3,581,409	-	-	8,863,473	-	-	(1,104,797)	11,684,511
Debt service, principal	535,000	-	-	-	-	9,480,000	-	(535,000)	9,480,000
Debt service, interest	16,005	-	-	-	-	3,434,038	-	-	3,450,043
Capital outlay	-	-	-	-	-	-	1,672,320	-	1,672,320
Total expenditures	<u>30,214,773</u>	<u>3,581,409</u>	<u>41,536,049</u>	<u>9,409,083</u>	<u>18,973,677</u>	<u>12,915,161</u>	<u>1,672,320</u>	<u>(5,081,551)</u>	<u>113,220,921</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u><b>17,386,799</b></u>	<u><b>1,188,760</b></u>	<u><b>(4,062,253)</b></u>	<u><b>3,867,585</b></u>	<u><b>(3,128,983)</b></u>	<u><b>(12,816,330)</b></u>	<u><b>(1,551,537)</b></u>	<u><b>535,000</b></u>	<u><b>1,419,041</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>									
BAN redeemed from appropriation	-	-	-	-	-	-	535,000	(535,000)	-
Contributions	(2,145,295)	-	-	-	-	-	-	-	(2,145,295)
Operating transfers in	-	-	-	320,000	-	12,835,421	-	(13,155,421)	-
Operating transfers out	(8,333,326)	(355,661)	(169,060)	(3,939,017)	(342,803)	-	(15,554)	13,155,421	-
Total other financing sources (uses)	<u>(10,478,621)</u>	<u>(355,661)</u>	<u>(169,060)</u>	<u>(3,619,017)</u>	<u>(342,803)</u>	<u>12,835,421</u>	<u>519,446</u>	<u>(535,000)</u>	<u>(2,145,295)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>6,908,178</b></u>	<u><b>833,099</b></u>	<u><b>(4,231,313)</b></u>	<u><b>248,568</b></u>	<u><b>(3,471,786)</b></u>	<u><b>19,091</b></u>	<u><b>(1,032,091)</b></u>	<u><b>-</b></u>	<u><b>(726,254)</b></u>
<b>FUND BALANCES, beginning of year</b>	<u>(10,703,065)</u>	<u>1,143,354</u>	<u>6,930,363</u>	<u>(1,211,912)</u>	<u>12,888,747</u>	<u>10,724</u>	<u>6,316,423</u>	<u>-</u>	<u>15,374,634</u>
<b>FUND BALANCES, end of year</b>	<u><b>\$ (3,794,887)</b></u>	<u><b>\$ 1,976,453</b></u>	<u><b>\$ 2,699,050</b></u>	<u><b>\$ (963,344)</b></u>	<u><b>\$ 9,416,961</b></u>	<u><b>\$ 29,815</b></u>	<u><b>\$ 5,284,332</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 14,648,380</b></u>

See accompanying Notes to Financial Statements.

## Town of Ramapo, New York

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		<u>Year Ended December 31, 2019</u>
Net change in fund balances shown for total governmental funds		\$ (726,254)
This amount differs from the change in net position shown in the statement of activities because of the following:		
Capital outlays are reported as expenditures and the sale of capital assets is recorded as revenue in the governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for acquisition of capital assets exceeded depreciation expense for the period:		
Capital expenditures	2,931,585	
Depreciation expense	<u>(6,232,766)</u>	(3,301,181)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal paid on bonds	9,480,000	
Amortization of loss on refunding bonds and issuance premium	<u>15,115</u>	9,495,115
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Pension related deferred outflows and inflows represent long-term activity and are not reported in the funds:		
Compensated absences	406,840	
Landfill closure costs	668,643	
Accrued interest payable	114,684	
Pollution remediation	68,763	
Net pension liability, net of deferrals	(3,684,495)	
Retirement incentives and other pension obligations payable	2,097,231	
Other postemployment benefits liability, net of deferrals	<u>(5,420,385)</u>	(5,748,719)
The net operating surplus of the internal service funds is reported within governmental activities.		<u>(2,198,694)</u>
<b>Change in net position (deficit) of governmental activities</b>		<b><u><u>\$ (2,479,733)</u></u></b>

# Town of Ramapo, New York

## Statement of Net Position - Proprietary Funds

	December 31, 2019	
	Business-Type Activity	Governmental Activities
	Local Development Corporation	Internal Service Fund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 202,411	\$ 737,582
Accounts receivable	194,903	-
Due from governmental funds	-	73,591
Prepaid expenses	-	86,600
Property under sales contract	2,040,585	-
	2,437,899	897,773
<b>NONCURRENT ASSETS</b>		
Capital assets		
Non-depreciable	8,338,047	-
Depreciable, net	27,483,365	-
	35,821,412	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	609,167	-
	38,868,478	897,773
<b>LIABILITIES AND NET POSITION (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	4,267	33,005
Due to general fund	15,000	-
Interest payable	302,805	-
Deposits under sales contract	1,162,681	-
Bonds payable, current	690,911	-
Claims payable, current	-	1,032,786
Judgments payable, current	-	1,776,000
	2,175,664	2,841,791
<b>NONCURRENT LIABILITIES</b>		
Bonds payable, net of current portion	22,975,901	-
Claims payable, net of current portion	-	10,255,575
Judgments payable, net of current portion	-	1,720,500
Total liabilities	25,151,565	14,817,866
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	12,763,767	-
Unrestricted (deficit)	953,146	(13,920,093)
	13,716,913	(13,920,093)
<b>Total net position (deficit)</b>	<b>\$ 13,716,913</b>	<b>\$ (13,920,093)</b>

See accompanying Notes to Financial Statements.

# Town of Ramapo, New York

## Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

	Year Ended December 31, 2019	
	Business-Type Activity	Governmental Activities
	Local Development Corporation	Internal Service Fund
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Cash received from providing services and insurance recoveries	\$ 500,889	2,494,091
Cash paid for contractual expenses	(755,022)	(1,781,538)
Cash paid for personal services and employee benefits	(108,250)	-
	<b>(362,383)</b>	<b>712,553</b>
<b>CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>		
Contribution from the Town of Ramapo	<b>2,145,295</b>	-
<b>CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond repayments	(590,000)	-
Interest payments	(1,047,325)	-
	<b>(1,637,325)</b>	-
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Interest income received	<b>101</b>	<b>21,113</b>
<b>Net increase in cash and cash equivalents</b>	<b>145,688</b>	<b>733,666</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>56,723</b>	<b>3,916</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 202,411</b>	<b>\$ 737,582</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET</b>		
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,420,904)	\$ (2,219,807)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	1,199,303	-
Changes in operating assets and liabilities		
Accounts receivable	(39,920)	26,329
Due from other governments	-	7,966
Due from general fund	-	34,999
Due to general fund	(48,000)	-
Accounts payable and accrued expenses	(52,862)	10,421
Claims and judgments payable	-	2,852,645
	<b>\$ (362,383)</b>	<b>\$ 712,553</b>

See accompanying Notes to Financial Statements.

# Town of Ramapo, New York

## Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2019	
	Business-Type Activity	Governmental Activities
	Local Development Corporation	Internal Service Fund
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Cash received from providing services and insurance recoveries	\$ 500,889	2,494,091
Cash paid for contractual expenses	(755,022)	(1,781,538)
Cash paid for personal services and employee benefits	(108,250)	-
	<b>(362,383)</b>	<b>712,553</b>
<b>CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>		
Contribution from the Town of Ramapo	<b>2,145,295</b>	-
<b>CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond repayments	(590,000)	-
Interest payments	(1,047,325)	-
	<b>(1,637,325)</b>	-
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Interest income received	<b>101</b>	<b>21,113</b>
<b>Net increase in cash and cash equivalents</b>	<b>145,688</b>	<b>733,666</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>56,723</b>	<b>3,916</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 202,411</b>	<b>\$ 737,582</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET</b>		
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,420,904)	\$ (2,219,807)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	1,199,303	-
Changes in operating assets and liabilities		
Accounts receivable	(39,920)	26,329
Due from other governments	-	7,966
Due from general fund	-	34,999
Due to general fund	(48,000)	-
Accounts payable and accrued expenses	(52,862)	10,421
Claims and judgments payable	-	2,852,645
	<b>(362,383)</b>	<b>712,553</b>

See accompanying Notes to Financial Statements.



# Town of Ramapo, New York

## Statement of Fiduciary Net Position - Custodial Fund

	<b>December 31, 2019</b>
	<b>Custodial Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	505,521
Accounts receivable	3,800
<b>Total assets</b>	<b><u>\$ 509,321</u></b>
<b>NET POSITION</b>	
Restricted	
Other governments	\$ 46,838
Employee deposits	45,687
Building and zoning escrows	403,979
State bail	12,817
<b>Total net position</b>	<b><u>\$ 509,321</u></b>

# Town of Ramapo, New York

## Statement of Changes in Fiduciary Net Position - Custodial Fund

	<b>Year Ended December 31, 2019</b>
	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Building and zoning escrows	\$ 83,348
State bail	12,817
Interest	31
Property tax collections - fire districts	6,785,830
PILOT collections - other governments	3,146,523
Total additions	10,028,549
<b>DEDUCTIONS</b>	
Building and zoning escrows	288,069
State bail	13,227
Property tax collections - fire districts	6,785,830
PILOT collections - other governments	3,146,523
Total deductions	10,233,649
<b>CHANGE IN FIDUCIARY NET POSITION</b>	<b>(205,100)</b>
<b>FIDUCIARY NET POSITION, <i>beginning of year</i></b>	714,421
<b>FIDUCIARY NET POSITION, <i>end of year</i></b>	\$ 509,321

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### **Note 1 - Organization and Summary of Significant Accounting Policies**

The Town of Ramapo, New York (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 is the legislative body responsible for overall operations. 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 accounting policies of the Town conform to accounting principles generally accepted in the United State of America (U.S. GAAP) as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. 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 Town's more significant accounting policies:

#### *a. Financial Reporting Entity*

The financial reporting entity consists of a) the primary government which is the Town, b) organizations for which the Town is financially accountable, and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town for financial reporting purposes, management has considered various separate legal entities as potential component units. The following organization is included in the Town's reporting entity as a blended component unit:

The Ramapo Local Development Corporation (Corporation) was formed in 2008 by the New York State Legislature under the provisions of Section 1411 of the Not-for-Profit Corporation Law for purposes of fostering the creation, retention and expansion of jobs and economic opportunities in the Town. Additionally, the Corporation is authorized to construct, acquire, rehabilitate and improve facilities for use by others in the Town. In 2017, the Town Board became the Board of the Corporation.

The Corporation is reported as a major enterprise fund in the Town's financial statements. The Corporation issues stand-alone financial statements that can be obtained from its administrative office at the address indicated below:

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

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### a. Financial Reporting Entity - Continued

The Town's support of the Corporation is critical to its operations and financial condition. The Corporation's revenues and cash flows from operations are not sufficient to meet its debt service requirements and day-to-day cash needs. As a result, the Corporation is dependent upon the Town for short-term liquidity in the form of inter-organization loans (see Note 3a) and contributions. In addition, the Town incurs administrative and operational costs on behalf of the Corporation. See Note 1e regarding the Town's contribution of property held for sale or redevelopment to the Corporation. A summary of amounts reported as contributions from the Town to the Corporation for the year ended December 31, 2019 are as follows:

Operating costs	\$ 508,495
Debt service costs	<u>1,636,800</u>
	<u>\$ 2,145,295</u>

In September 2017, the Town began making the majority of debt service payments on the Corporation's outstanding bonds, which the Town has guaranteed, without being reimbursed. Debt service payments by the Town that the Corporation has the ability to repay are recorded as due to the Town (see Note 3). Debt service payments by the Town that the Corporation does not have the ability to repay are recorded as contributions from the Town. The Corporation remains contingently liable to reimburse debt service costs incurred on behalf of the Town to the Town if it is ever able to do so. The Corporation is contingently liable to the Town for the repayment of contributions for debt service costs of \$3,830,771 as of December 31, 2019. The Town has not recorded this contingent receivable in its financial statements due to the financial uncertainty of the Corporation.

#### b. 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 non-custodial activities of the Town as a whole. 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 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 direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses or individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Taxes and other items not included as program revenues are reported as general revenues, as required.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *b. Government-Wide Financial Statements - Continued*

Separate financial statements are provided for governmental funds, proprietary funds, and custodial funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise 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 enterprise fund and the internal service fund are charges to customers for services. Operating expenses for the enterprise fund and the internal service fund include the cost of services, administrative expenses, depreciation and amortization costs, and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

#### *c. Fund Financial Statements*

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains internal service and custodial funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, reconciliations are presented, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities' columns of the government-wide presentation. The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with U.S. GAAP, as follows:

Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds. The Town has no non-major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

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 major capital facilities and other capital assets, other than those financed by proprietary funds.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Fund Financial Statements - Continued*

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.

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 following are the Town's special revenue funds:

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 two villages that maintain their own police department. The major revenue of the Police Fund is real property taxes.

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 the Highway Fund are real property taxes, intergovernmental charges and state aid. The Highway Fund 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 Villages Highway Fund.

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

Proprietary Funds - Proprietary funds include the Town's enterprise fund and internal service fund. The enterprise fund is used to report the Corporation. Internal service funds are used to account for operations that provide services to other departments or agencies of the government, or other governments, on a cost reimbursement basis. The Town has established its Workers' Compensation Fund and General Liability Fund as internal service funds.

Custodial Fund - (not included in government-wide financial statements) - The custodial fund is used to account for assets held by the Town in a trustee or custodial capacity. The Town's custodial fund is used to account for assets held on behalf of outside parties, including other governments.

#### *d. 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 (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *d. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued*

The government-wide financial statements and the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if collected within sixty days of the fiscal year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal 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 fiscal 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 claims, compensated absences, 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 Custodial Fund has no measurement focus but utilizes the accrual basis of accounting.

#### *e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances*

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, and certificates of deposit with original maturities of three months or less.

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 Federal Deposit Insurance Corporation (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, 2019.

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 its 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.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

- e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
or Fund Balances - Continued*

#### Cash and Equivalents - Continued

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town discloses deposits exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution, or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances were fully covered by depository insurance and collateral and therefore were not exposed to custodial credit risk at December 31, 2019.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1<sup>st</sup>. The Town collects county, town, police, highway and special districts taxes, which are due January 1<sup>st</sup> and payable without penalty to January 31<sup>st</sup>. The Town retains the total amount of town, police, highway and special districts taxes from the total collection and returns the balance to Rockland County.

Other Receivables - Other receivables include accounts receivable and amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as services are provided or as specific program expenditures/expenses are incurred. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. An allowance for doubtful accounts of \$476,990 is recorded in the Consolidated Ambulance District, which is part of the Special Districts Fund.

Interfund Transactions - During the course of operations, the Town processes several transactions that affect more than one fund and other transactions between the various funds. Interfund services provided and used are accounted for as revenues in the provider funds and expenditures or expenses in the user funds. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Advances or loans from one fund to another are recorded as receivables in the remitting fund and payables in the receiving fund. Other interfund transactions generally represent transfers of resources from one fund to be utilized in another fund and are reported as transfers. Interfund transactions that are unpaid between funds are recorded in the financial statements as due from other funds (receivables) and due to other funds (payables).

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts in governmental funds, if any, are equally offset by Nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.



# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
or Fund Balances - Continued*

Capital Assets - Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. 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 enterprise fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair 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 estimated 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).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives is not capitalized.

The Town's capitalization threshold is \$10,000. All reported capital assets, except land and construction in progress, if any, 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	20 - 25
Machinery and equipment	5 - 20
Infrastructure	20 - 65

Management periodically reviews capital assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2019.

Property Under Sales Contracts and Deposits Held Under Sales Contracts - The Corporation values property under sales contracts at the lower of cost or net realizable value. When property is transferred from the Town, cost represents the Town's carrying value at the time of transfer. In March 2016, the Town transferred, without consideration, a parcel of land to the Corporation, located at 301 Pomona Road, at \$2,040,585, the Town's carrying value at the time of transfer. Management has evaluated the property's net realizable value and determined that no impairment was necessary for the year ended December 31, 2019.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
or Fund Balances - Continued*

Property Under Sales Contracts and Deposits Held Under Sales Contracts - Continued

In April 2017, the Corporation entered into a transaction for the sale of its property located at 301 Pomona Road with a developer who intends to build a 485,000 square foot mixed-use development, including a hotel, retail and residential space. At that time, the buyer made a down payment of approximately \$1.2 million. The total potential sale price of approximately \$5.8 million is subject to downward adjustment based on the approved amount of square feet of the development. If the approval is less, the price will decrease proportionally. In addition, the buyer intends to grant to the Corporation participation in 10% of profits on the buyer's resale of the property after return of capital, expenses of the development, and a 6% return on the equity of the buyer. If the buyer does not resell the property within 10 years, the Corporation has an option that would monetize their profit share based on a formula.

The Corporation's property sales are accounted for in accordance with GASB Codification Section R30: *Real Estate*. In accordance with these provisions, the Corporation has determined that the above sale has not been consummated for accounting purposes as all consideration under the arrangement has not been exchanged. Under the terms of the contract the consideration to be exchanged is contingent and variable upon the developer's ability to obtain necessary approvals from certain governmental organizations. Accordingly, the Corporation has applied the deposit method of accounting for reporting this transaction. Under the deposit method, the seller (Corporation) does not recognize any gain or receivable from the buyer (developer) and continues to report in its financial statement the underlying property. Cash received from the buyer (developer) of \$1,194,264 is reported as a deposit on the sales contract, net of deferred selling costs of \$31,583.

The deposits held under sales contracts, net of deferred selling costs, will be recognized upon the finalization of the consideration amount, which is expected to occur when the buyer (developer) obtains the necessary approvals from certain governmental organizations. As of the date of the financial statements, no square footage approvals have been obtained, and the profit share agreement is unsigned and in draft form.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has reported deferred outflows of resources of \$609,167 for deferred loss on refunding bonds in the business-type activities. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. The deferred loss on refunding is being amortized on a straight-line basis and is reported as a component of interest expense.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances - Continued*

#### Deferred Outflows/Inflows of Resources - Continued

Pension related deferred outflows of resources and deferred inflows of resources are described in Note 8.

Other postemployment benefits related deferred outflows of resources and deferred inflows of resources are described in Note 9.

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term liabilities consist of bonds payable, compensated absences, claims and judgments payable, landfill closure costs, pollution remediation, retirement incentives and other pension obligations payable, other post-employment benefits liability and the net pension liability.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

Compensated Absences - Compensated absences are payments to employees for accumulated time such as paid vacation, paid holiday, 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.

Claims and Judgments Payable - The Internal Service Fund reflects workers' compensation and general liability claim liabilities which are based upon actuarial estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances - Continued*

#### Claims and Judgments Payable - Continued

computing claims and judgments liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actuarial historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. Note 7b provides additional detail related to the Town's workers' compensation and general liability claim liabilities.

Landfill Closure Costs - In November 1997, the Town closed and capped its only landfill. State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the site for thirty years after closure. The amount reported as landfill closure costs of \$1,003,143 at December 31, 2019 represents the estimated post-closure liability, based on 100% use of the landfill's capacity. Actual cost may differ due to inflation, changes in technology, or changes in regulations.

Pollution Remediation - The Environmental Protection Agency (EPA) notified the Town of certain lead pollution within the Town's only landfill. No costs associated with the remediation of the landfill were estimated to be outstanding at December 31, 2019.

Pensions - The Town is a participating member in the New York State and Local Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (collectively, the "System"). Employees in ERS and PFRS permanent positions are required to enroll in the System, while employees in ERS part-time or seasonal positions have the option of enrolling. The System is a cost-sharing, multiple employer, public employee defined benefit retirement system. The impact on the Town's financial position and results of operation due to its participation in the System is more fully disclosed in Note 8.

Retirement Incentives and Other Pension Obligations Payable - New York State, at various times, will enact laws which 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 contributions. Note 8 provides detail of the programs with which the Town has elected to participate.

Other Postemployment Benefits Liability - The Town recognizes in its financial statements the impact of other postemployment benefits, principally employer funded health care costs. The impact of the Town's financial position and results of operations associated with other postemployment benefits is more fully disclosed in Note 9.

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

*Net Investment in Capital Assets* - This category groups all capital assets, including restricted capital assets, into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipation notes, which are attributable to the acquisition, construction, or improvements of these assets, reduce the balance in this category.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
or Fund Balances - Continued*

Net Position - Continued

*Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of the Town or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - This category represents net position of the Town not restricted for any project or other purpose.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund 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. Under this standard, the fund balance classifications are as follows:

*Nonspendable* - This category includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

*Restricted* - This category is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws, or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

*Committed* - This category is reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.

*Assigned* - This category represents amounts constrained only by the Town's intent to be used for a specified purpose but are not restricted or committed in any manner.

*Unassigned* - This category represents the residual amount after all other classifications have been established for the General Fund. Other governmental funds cannot report a positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts restricted or committed for those purposes.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position  
or Fund Balances - Continued*

Fund Balance - Continued

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

*f. Encumbrances*

In governmental funds, encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to assign a portion of the applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Town Outside Villages, Police, Highway, and Special District Funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

*g. Estimates*

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

*h. Adoption of New Accounting Standard*

During 2019, the Town adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of this 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.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *h. Adoption of New Accounting Standard - Continued*

As a result of the adoption of this statement, the Town now reports its fiduciary activities within a custodial fund. The Town's custodial fund includes a statement of net position and statement of changes in net position. Opening adjustments to governmental fund balance sheets and the custodial fund statement of changes in fiduciary net position were as follows:

	As Originally Stated January 1, 2019	Adoption of GASB 84	As Adjusted January 1, 2019
<i>Custodial Fund</i>			
Assets	\$ -	\$ 714,421	\$ 714,421
Net position	-	(714,421)	(714,421)
<i>General Fund</i>			
Assets	9,502,267	982,507	10,484,774
Liabilities	(20,205,332)	(982,507)	(21,187,839)
<i>Town Outside Villages</i>			
Assets	2,672,024	460,597	3,132,621
Liabilities	(1,528,670)	(460,597)	(1,989,267)
<i>Special Districts</i>			
Assets	14,694,426	7,000	14,701,426
Liabilities	(1,805,679)	(7,000)	(1,812,679)

#### *i. Subsequent Events*

The Town has evaluated subsequent events for potential recognition or disclosure through April 30, 2020, the date the financial statements were available to be issued.

#### *COVID-19 Impact on Town Finances*

The Town's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. On March 7, 2020, the Governor of the State of New York declared a disaster emergency for the entire State of New York in response to the COVID-19 pandemic and on March 19, 2020, the Supervisor declared a local state of emergency for the Town. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Town's financial position, operations and cash flows.

Possible effects in 2020 may include, but are not limited to, reductions in sales tax, permit fees and recreation program revenues and increased expenses resulting directly from implementing safety protocols and the increased cost of police activity resulting from the pandemic.

The Town has initiated an application to the Federal Emergency Management Agency (FEMA) for reimbursement of eligible costs.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 2 - Stewardship, Compliance, and Accountability

#### *a. Budgetary Data*

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

- i. During August and September of each year, the various department heads and the Supervisor develop a detailed preliminary budget for review by the Board.
- ii. The Town Clerk presents the tentative budget to the Town Board at a regular or special Town Board meeting by October 5<sup>th</sup>.
- iii. The Town Board reviews the tentative budget and may modify it by passing a resolution in a Town Board meeting. Once the changes are approved the tentative budget becomes the preliminary budget which is filed with the Town Clerk and made available to the public.
- iv. The Town Board must then hold a public hearing by the Thursday following election day.
- v. After the public hearing, the Town Board may modify the preliminary budget which then becomes the final budget to be adopted by resolution at a Town Board meeting by November 20<sup>th</sup>.
- vi. 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 appropriation also require board approval. Appropriations lapse at the end of the year except that outstanding encumbrances are re-appropriated in the succeeding year.

Budgeted amounts are as originally adopted, or as amended by the Town Board.

#### *b. Property Tax Limitation*

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 (Tax Levy Limitation Law). This applies to all local governments. The Tax Levy Limitation Law became permanent as part of the 2019/2020 New York State budget. With some exceptions, the Tax Levy Limitation Law limits the amount local governments can increase property taxes to the lower of two percent (2%), or the rate of inflation. On an annual basis, local governments are responsible for reporting to the New York State Office of the State Comptroller (OSC) the information necessary to calculate their tax levy limit and whether they plan to stay within the tax cap. Local government boards must pass a local law or resolution by at least sixty percent (60%) vote to override the tax cap.

#### *c. 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 are 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 Rockland County Solid Waste Management Authority (RCSWMA) and the special districts based upon a single tax bill.



# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 2 - Stewardship, Compliance, and Accountability - Continued

#### *c. Real Property Tax Assessment and Collection Procedures - Continued*

The Receiver of Taxes collects all real property taxes for the Town, Rockland County, Town Special Districts, RCSWMA, Fire Districts and School Districts located within the Town of Ramapo. The Receiver of Taxes collects the general property taxes in January. Payments can be made upon receipt of the tax bill through January 31<sup>st</sup> without penalty. If payment is made after January 31<sup>st</sup>, there is a 1% penalty through February 28<sup>th</sup>. If payment is made after February 28<sup>th</sup>, there is a 2% penalty through 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.

#### *d. Fund Deficits*

The following governmental funds reflect deficits a December 31, 2019:

<u>Fund</u>	<u>Deficit Amount</u>
Governmental Funds	
General Fund	3,794,887
Highway Fund	963,344
Proprietary Funds	
Workers' Compensation Internal Service Fund	10,485,024
General Liability Internal Service Fund	3,435,069

The Worker's Compensation Fund and General Liability Fund deficits are attributable to the accrual of claims and judgments payable, including incurred but not reported claims, which will be satisfied in subsequent years.

The Town has developed a plan to address the governmental funds' deficits, which includes budgetary measures, realignment of property tax rates and disposition of property determined to be surplus. During 2019, the General Fund deficit improved by approximately \$6.9 million, while the Highway Fund deficit improved by approximately \$249 thousand. The Town's 2020 tax levy included a provision to raise approximately \$2.0 million for the specific purpose of restoring the General Fund's fund balance. In February of 2020, the Town Board passed a resolution authorizing the General Fund to repay \$2.0 million in interfund loans and advances.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 3 - Interfund Balances

a. *Due From/To Other Funds*

The balances reflected as due from/to other funds at December 31, 2019 were as follows:

Due from Other Funds	Due to Other Funds									
	General	Town Outside Village	Police	Highway	Special Districts	Capital Projects	Debt Service	Total Governmental	Corporation	Total
General	\$ -	\$ 882,829	\$ 3,461,493	\$ 716,729	\$ 1,513,358	\$ -	\$ -	\$ 6,574,409	\$ 15,000	\$ 6,589,409
Town Outside Villages	1,235,489	-	-	-	-	-	-	1,235,489	-	1,235,489
Police	3,593,585	-	-	162,200	-	-	-	3,755,785	-	3,755,785
Highway	389,466	-	-	-	-	-	530,000	919,466	-	919,466
Special Districts	5,355,641	-	-	-	-	-	1,221,976	6,577,617	-	6,577,617
Debt Service	1,751,974	-	-	-	-	6,592	-	1,758,566	-	1,758,566
Total Governmental	12,326,155	882,829	3,461,493	878,929	1,513,358	6,592	1,751,976	20,821,332	15,000	20,836,332
Internal Service	73,591	-	-	-	-	-	-	73,591	-	73,591
Total	<u>\$ 12,399,746</u>	<u>\$ 882,829</u>	<u>\$ 3,461,493</u>	<u>\$ 878,929</u>	<u>\$ 1,513,358</u>	<u>\$ 6,592</u>	<u>\$ 1,751,976</u>	<u>\$ 20,894,923</u>	<u>\$ 15,000</u>	<u>\$ 20,909,923</u>

The outstanding balances between funds result predominately from payments made by certain funds on behalf of other funds. New York State 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 not currently in compliance with the above-mentioned law.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 3 - Interfund Balances - Continued

*b. Interfund Transfers*

Interfund transfers are defined as the flow of assets (such as cash or goods and services) between funds of the Town without equivalent flows of assets in return and without a requirement for repayment. Interfund transfers for the year ended December 31, 2019 are as follows:

Transfers from Other Funds	Transfers to Other Funds						Total
	General	Town Outside Village	Police	Highway	Special Districts	Capital Projects	
Debt Service	\$ 8,333,326	\$ 35,661	\$ 169,060	\$ 3,939,017	\$ 342,803	\$ 15,554	\$ 12,835,421
Highway	-	320,000	-	-	-	-	320,000
Total Governmental Funds	8,333,326	355,661	169,060	3,939,017	342,803	15,554	13,155,421
Corporation	2,145,295	-	-	-	-	-	2,145,295
Total	<u>\$ 10,478,621</u>	<u>\$ 355,661</u>	<u>\$ 169,060</u>	<u>\$ 3,939,017</u>	<u>\$ 342,803</u>	<u>\$ 15,554</u>	<u>\$ 15,300,716</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due; and 2) move funds to the internal service funds as a source for applicable payments. Contributions are made to move resources to the enterprise fund (Corporation) for expenditures incurred on the Corporation's behalf.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 3 - Interfund Balances - Continued

#### *c. Interfund Revenues*

The Town's General Fund charges certain governmental funds for direct costs incurred, including motor vehicle repairs and maintenance and gasoline. In addition, the general fund charges costs for administrative services including finance, payroll, information technology, purchasing, tax assessment and collection, building and ground maintenance, legal and town hall overhead. These interfund charges are developed using actual departmental costs incurred, as adjustments for non-allocable items under State Law, or items specifically related to the General Fund. The pool of allocable costs is charged to respective funds based on their estimated usage.

### Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2019 is as follows:

	Governmental Activities			Balance, December 31, 2019
	Balance, January 1, 2019	Additions	Retirements and Transfers	
Capital assets not being depreciated				
Land	\$ 40,333,786	\$ -	\$ -	\$ 40,333,786
Capital assets being depreciated				
Land improvements	41,964,458	153,174	-	42,117,632
Buildings and improvements	71,083,176	278,803	-	71,361,979
Machinery and equipment	16,897,404	774,006	-	17,671,410
Infrastructure	67,441,071	1,725,602	-	69,166,673
Total capital assets being depreciated	<u>197,386,109</u>	<u>2,931,585</u>	<u>-</u>	<u>200,317,694</u>
Less accumulated depreciation for				
Land improvements	(19,512,604)	(2,035,019)	-	(21,547,623)
Buildings and improvements	(22,835,895)	(1,483,565)	-	(24,319,460)
Machinery and equipment	(12,829,700)	(793,595)	-	(13,623,295)
Infrastructure	(24,350,824)	(1,920,587)	-	(26,271,411)
Total accumulated depreciation	<u>(79,529,023)</u>	<u>(6,232,766)</u>	<u>-</u>	<u>(85,761,789)</u>
Total capital assets being depreciated, net	<u>117,857,086</u>	<u>(3,301,181)</u>	<u>-</u>	<u>114,555,905</u>
Total capital assets, net	<u>\$158,190,872</u>	<u>\$ (3,301,181)</u>	<u>\$ -</u>	<u>\$154,889,691</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 4 - Capital Assets - Continued

	Business-Type Activities			Balance, December 31, 2019
	Balance, January 1, 2019	Additions	Retirements	
Capital assets being depreciated				
Land improvements	\$ 5,674,882	\$ -	\$ -	\$ 5,674,882
Buildings	26,837,206	-	-	26,837,206
Machinery and equipment	4,279,800	-	-	4,279,800
Total capital assets being depreciated	<u>36,791,888</u>	<u>-</u>	<u>-</u>	<u>36,791,888</u>
Less accumulated depreciation				
Land improvements	(1,085,968)	(141,872)	-	(1,227,840)
Buildings	(4,676,592)	(670,930)	-	(5,347,522)
Machinery and equipment	(2,346,660)	(386,501)	-	(2,733,161)
Total accumulated depreciation	<u>(8,109,220)</u>	<u>(1,199,303)</u>	<u>-</u>	<u>(9,308,523)</u>
 Total capital assets being depreciated, net	 <u>28,682,668</u>	 <u>(1,199,303)</u>	 <u>-</u>	 <u>27,483,365</u>
Capital assets not being depreciated				
Land and land improvements	<u>8,338,047</u>	<u>-</u>	<u>-</u>	<u>8,338,047</u>
 Total capital assets, net	 <u>\$ 37,020,715</u>	 <u>\$ (1,199,303)</u>	 <u>\$ -</u>	 <u>\$ 35,821,412</u>

Within the governmental activities, land improvements and buildings include approximately \$19.3 million and \$8.2 million, respectively, funded by the Town in connection with the construction of the professional baseball stadium owned and operated by the Corporation.

Depreciation expense on capital assets of the governmental activities is charged to the Town's functions and programs as follows:

General government support	\$ 377,424
Public safety	319,487
Transportation	1,820,313
Culture and recreation	3,130,241
Home and community services	<u>585,301</u>
 Total depreciation expense	 <u>\$ 6,232,766</u>

### Note 5 - Accrued Liabilities

Accrued liabilities within the governmental funds consist of pension contributions payable, payroll and other employee benefits. Amounts by fund at December 31, 2019 are as follows:

Purpose	General	Town Outside Villages	Police	Highway	Special Districts	Total
Payroll and employee benefits	<u>\$ 2,767,982</u>	<u>\$ 365,911</u>	<u>\$ 7,004,034</u>	<u>\$ 929,852</u>	<u>\$ 169,101</u>	<u>\$ 11,236,880</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Notes 6 - Bond Anticipation Notes Payable

BANs are accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. BANs issued for capital purposes must be converted to long-term obligations within five years after the original issue date or be repaid. The changes in the Town's BANs were as follows:

Purpose	Issue Date	Interest Rate	Original Issue Amount	Balance January 1, 2019	Issued	Redemptions	Balance December 31, 2019
<i>Capital Projects Fund</i>							
Various projects	February 2018	3.00%	\$ 535,000	\$ 535,000	\$ -	\$ 535,000	\$ -
4th St. Bridge Project	September 2019	2.85%	1,200,000	-	1,200,000	-	1,200,000
				<u>\$ 535,000</u>	<u>\$ 1,200,000</u>	<u>\$ 535,000</u>	<u>\$ 1,200,000</u>

Interest expenditure on the modified accrual basis was \$16,005 for the year ended December 31, 2019 and was recorded in the General Fund. Interest expense on the accrual basis was \$21,351 and recorded to the government-wide financial statements.

### Note 7 - Long-Term Liabilities

The changes in the Town's long-term liabilities are as follows:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019	Due Within One Year
<b>Long-term debt</b>					
Bonds payable	\$ 95,730,000	\$ -	\$ 9,480,000	\$ 86,250,000	\$ 9,385,000
Plus unamortized premium on bonds	179,182	-	20,530	158,652	20,530
Less unamortized discount on bonds	(41,971)	-	(5,415)	(36,556)	(5,415)
	<u>95,867,211</u>	<u>-</u>	<u>9,495,115</u>	<u>86,372,096</u>	<u>9,400,115</u>
<b>Other noncurrent liabilities</b>					
Compensated absences	4,833,593	483,359	890,199	4,426,753	442,675
Claims and judgments payable	11,932,216	2,852,645	-	14,784,861	2,808,786
Landfill closure costs	1,671,786	-	668,643	1,003,143	143,306
Pollution remediation	68,763	-	68,763	-	-
Net pension liability	6,697,009	11,450,434	6,797,052	11,350,391	-
Retirement incentives and other pension obligations payable	18,698,453	386,588	2,483,819	16,601,222	2,646,234
Other postemployment benefits liability	181,339,939	14,022,600	5,482,832	189,879,707	-
Total other noncurrent liabilities	<u>225,241,759</u>	<u>29,195,626</u>	<u>16,391,308</u>	<u>238,046,077</u>	<u>6,041,001</u>
Total governmental activities	<u>\$ 321,108,970</u>	<u>\$ 29,195,626</u>	<u>\$ 25,886,423</u>	<u>\$ 324,418,173</u>	<u>\$ 15,441,116</u>

The changes in the Corporation long-term liabilities were as follows:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019	Due Within One Year
Bonds payable	\$ 22,365,000	\$ -	\$ 590,000	\$ 21,775,000	\$ 605,000
Plus unamortized premium on bonds	1,977,803	-	85,991	1,891,812	85,911
	<u>\$ 24,342,803</u>	<u>\$ -</u>	<u>\$ 675,991</u>	<u>\$ 23,666,812</u>	<u>\$ 690,911</u>

Each governmental fund's liability for compensated absences, claims and judgments payable, landfill closure costs, net pension liability, pollution remediation, retirement incentives and other pension obligations payable 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.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 7 - Long-Term Liabilities - Continued

#### a. Bonds Payable

The Town's bonds payable at December 31, 2019 are comprised of the following individual issues:

Purpose	Issue Year	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2019
Serial Bonds:					
Public Improvements (Series A)	2006	\$ 12,050,000	3.750 - 4.000%	August 2021	\$ 2,060,000
Public Improvements (Series B)	2006	10,000,000	4.375 - 4.500%	May 2036	7,370,000
Public Improvements (Series A-1)	2008	8,050,000	4.000 - 4.500%	September 2030	3,165,000
Public Improvements (Series A-2)	2008	11,935,000	4.000 - 4.500%	September 2030	9,245,000
Public Improvements (Series B)	2008	15,000,000	4.500 - 5.625%	September 2023	5,205,000
Public Improvements (Series A)	2010	12,000,000	2.000 - 3.000%	September 2022	3,345,000
Public Improvements (Series A)	2012	19,330,000	2.000 - 3.000%	November 2025	14,735,000
Public Improvements (Series A)	2013	1,000,000	2.000 - 3.500%	March 2028	645,000
Refunding Bonds	2013	11,245,000	2.000 - 5.000%	March 2034	4,640,000
Public Improvements (Series A)	2014	2,495,000	4.00%	May 2024	1,370,000
Public Improvements (Series B)	2015	33,345,000	3.000 - 4.125%	May 2028	24,965,000
Public Improvements (Series B)	2015	5,000,000	3.000 - 5.000%	May 2026	3,395,000
Refunding Bonds	2015	8,440,000	2.000 - 3.750%	May 2026	5,665,000
New York Environmental Facilities Corporation Bonds:					
Public Improvements Refunding Bonds	2015	230,000	3.529 - 4.129%	October 2034	85,000
Torne Valley Refunding Bonds	2015	440,000	3.808 - 4.569%	May 2034	360,000
					<u>\$ 86,250,000</u>

Included in the original issue amount are approximately \$38.9 million of bonds whose proceeds were used to finance land improvements and buildings associated with the Corporation's professional baseball stadium, of which approximately \$17.8 million remain outstanding as of December 31, 2019.

Interest expenditure on the Town's bonds payable was \$3,434,038 for the year ended December 31, 2019 and was recorded in the Debt Service Fund. Interest expense was \$3,298,893 for the year ended December 31, 2019 and was recorded to the government-wide financial statements.

Future principal and interest due on the Town's bonds payable are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2020	\$ 9,385,000	\$ 3,123,380	\$ 12,508,380
2021	9,730,000	2,799,208	12,529,208
2022	8,995,000	2,445,024	11,440,024
2023	8,175,000	2,114,624	10,289,624
2024	7,010,000	1,804,405	8,814,405
2025 through 2029	29,645,000	5,244,891	34,889,891
2030 through 2034	11,000,000	1,459,127	12,459,127
2035 through 2036	2,310,000	71,025	2,381,025
	<u>\$ 86,250,000</u>	<u>\$ 19,061,684</u>	<u>\$ 105,311,684</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 7 - Long-Term Liabilities - Continued

*a. Bonds Payable - Continued*

The Corporation's bonds payable at December 31, 2019 is comprised of the following issuance:

Purpose	Issue Year	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2019
Baseball Stadium - Refunding Bonds	2013	\$25,000,000	March 2041	2.00% - 5.00%	\$ 21,775,000

Interest expense on Corporation bonds payable was \$983,903 for the year ended December 31, 2019.

Future principal and interest due on the Corporation's bonds payable is as follows:

	Principal	Interest	Total
For the year ending December 31,			
2020	\$ 605,000	\$ 1,028,875	\$ 1,633,875
2021	625,000	1,010,425	1,635,425
2022	645,000	991,375	1,636,375
2023	665,000	971,725	1,636,725
2024	685,000	944,325	1,629,325
2025 through 2029	3,970,000	4,160,500	8,130,500
2030 through 2034	5,060,000	3,037,500	8,097,500
2035 through 2039	6,465,000	1,603,125	8,068,125
2040 through 2041	3,055,000	154,625	3,209,625
	<u>\$ 21,775,000</u>	<u>\$ 13,902,475</u>	<u>\$ 35,677,475</u>

Repayment of the Corporation's bonds has been guaranteed by the full faith and credit of the Town.

*b. Claims and Judgments Payable*

The Town is self-insured for workers' compensation claims up to \$900,000 per incident with an aggregate of \$2,000,000. A commercial policy is maintained for claims in excess of \$600,000 per occurrence. The workers' compensation insurance claims and judgments 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 Town maintains 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 and judgments liability incurred is based on an analysis based on historical trends.

The remaining claims and judgments liability incurred but not reported of workers' compensation claims and general liability is based on an evaluation performed by an independent actuary.



# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 7 - Long-Term Liabilities - Continued

#### *b. Claims and Judgments Payable - Continued*

The following is a summary of the changes in claims and judgments liability of the Town's internal service funds:

	Year Ended December 31, 2019		
	Workers' Compensation Benefits	General Liability Claims	Total
Balance, January 1, 2019	\$ 11,255,056	\$ 677,160	\$ 11,932,216
Provision for claims and claims adjustment expenses	1,057,038	2,819,340	3,876,378
Less claims and claims adjustment expenses paid	<u>(1,023,733)</u>	<u>-</u>	<u>(1,023,733)</u>
Balance, December 31, 2019	<u>\$ 11,288,361</u>	<u>\$ 3,496,500</u>	<u>\$ 14,784,861</u>

### Note 8 - Pension Plans

#### *a. Plan Description and Benefits Provided*

The Town participates in the New York State and Local Employee's Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as the New York State and Local Retirement System (System). The System is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan 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. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). 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. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 8 - Pension Plans - Continued

#### *b. Contributions*

Most members of the System who joined on or before July 26, 1976 are enrolled in a noncontributory plan. Members of the System who joined after July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have ten or more years of membership or credited service with the System are not required to contribute. Generally, members of the System may retire at 55; however, members of Tiers 2, 3, 4, and 5 will receive a reduced benefit if they retire before 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits, and employees with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for System members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3% to 6% depending on salary. Members are required to contribute for all years of service. The average contribution rate for ERS and PFRS for the System's fiscal year ended March 31, 2019 was approximately 14.9% and 23.5% of payroll, respectively. 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 made to the System for the current and two preceding years equal to 100% of the contributions required were as follows:

	<u>ERS</u>	<u>PFRS</u>
2019	\$ 3,521,907	\$ 6,655,373
2018	3,620,226	6,563,826
2017	3,545,488	6,899,880

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

At December 31, 2019, the Town reported a liability of \$11,350,391 in the governmental activities statement of net position for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2019, the Town's proportion was 0.0631953% in the Employee Retirement System and 0.4098125% in the Police and Fire Retirement System.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 8 - Pension Plans - Continued

c. *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued*

For the year ended December 31, 2019, the Town recognized pension expense of \$11,007,360. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 881,729	\$ 300,571	\$ 1,669,597	\$ 733,786
Changes of assumptions	1,125,480	-	2,497,077	-
Net differences between projected and actual investment earnings on pension plan investments	-	1,149,194	-	1,376,457
Changes in proportion and differences between employer contributions and proportionate share of contributions	953,183	271,109	7,288,544	305,545
Contributions subsequent to the measurement date	2,849,769	-	5,658,164	-
<b>Total</b>	<b>\$ 5,810,161</b>	<b>\$ 1,720,874</b>	<b>\$ 17,113,382</b>	<b>\$ 2,415,788</b>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS	Total
Year ending December 31,			
2020	\$ 1,240,725	\$ 4,562,740	\$ 5,803,465
2021	(702,344)	2,703,347	2,001,003
2022	51,673	467,985	519,658
2023	649,464	1,064,658	1,714,122
2024	-	240,700	240,700
<b>Total</b>	<b>\$ 1,239,518</b>	<b>\$ 9,039,430</b>	<b>\$ 10,278,948</b>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 8 - Pension Plans - Continued

#### d. Actuarial Assumptions

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. Significant actuarial assumptions used in the valuation were as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.5 percent
Salary Scale	
ERS	3.8 percent, indexed by service
PFRS	4.5 percent, indexed by service
Investment rate of return, including inflation	7.0 percent, compounded annually, net of expenses, including inflation
Cost of living adjustments	1.3 percent
Decrement	Based on FY 2011 - 2015 experience
Mortality improvement	Society of Actuaries' Scale MP-2014

Annuitant mortality rates are based on the April 1, 2010 to March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-indeed bonds	4.00%	1.25%
	<u>100.00%</u>	

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 8 - Pension Plans - Continued

*e. Discount Rate*

The discount rate used to calculate the total pension liability was 7.0%. 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 7.0%, and the impact on the net pension liability (asset) of using a discount rate that is 1.0% higher or lower than the current rate:

ERS		
1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
\$ 19,576,681	\$ 4,477,577	\$ (8,206,742)
PFRS		
1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
\$ 24,837,322	\$ 6,872,814	\$ (8,129,636)

*f. Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the employers as of March 31, 2019 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 189,803,429	\$ 34,128,100	\$ 223,931,529
Plan net position	(182,718,124)	(32,451,037)	(215,169,161)
Employers' net pension liability	\$ 7,085,305	\$ 1,677,063	\$ 8,762,368
Ratio of plan net position to the employers' total pension liability	96.3%	95.1%	96.1%

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 8 - Pension Plans - Continued

#### *g. Retirement Incentives and Other Pension Obligations*

For the years ended December 31, 2011 - 2019, the Town elected to defer the maximum allowable ERS and PFRS retirement contribution under Chapter 57 of the Laws of 2010 of the State of New York. The 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.

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, including a rate of interest annually set by the New York State Comptroller, subject to the following stipulations:

- For State fiscal year 2010 - 2011, the amount in excess of the graded rate of 9.5% of employee's 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 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.

In 2015, the Town negotiated certain concessions with its Police and 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 38-1 benefits to Section 38-e. Because of this agreement with NYSLRS, the increased benefits resulted in a past service credit cost liability of \$14,046,494 which will be repaid over 10 years. The current year cost and balance are reflected in the table below.

The following table shows the amounts due for each year's deferral incentive program and the amortization thereto:

	Balance January 1, 2019	Current Year Deferral	Current Year Amortization	Balance December 31, 2019	Due Within One Year
<b>Deferred retirement bill</b>					
2019/20 ERS invoice	\$ -	\$ 65,535	\$ -	\$ 65,535	\$ 4,652
2018/19 ERS invoice	143,372	-	9,547	133,825	9,928
2017/18 ERS invoice	326,947	-	25,123	301,824	25,955
2016/17 ERS invoice	400,411	-	35,527	364,884	36,462
2015/16 ERS invoice	986,013	-	95,838	890,175	99,010
2014/15 ERS invoice	1,082,199	-	119,558	962,641	123,742
2013/14 ERS invoice	1,131,647	-	144,325	987,322	149,751
2012/13 ERS invoice	606,762	-	145,032	461,730	149,384
2011/12 ERS invoice	278,933	-	89,577	189,356	92,935
Total ERS retirement bill	<u>4,956,284</u>	<u>65,535</u>	<u>664,527</u>	<u>4,357,292</u>	<u>691,819</u>
<b>2019/20 PFRS invoice</b>					
2019/20 PFRS invoice	-	321,053	-	321,053	22,790
2018/19 PFRS invoice	410,368	-	27,326	383,042	28,417
2017/18 PFRS invoice	667,102	-	51,261	615,841	52,958
2016/17 PFRS invoice	444,654	-	39,453	405,201	40,491
2015/16 PFRS invoice	658,299	-	63,985	594,314	66,103
2014/15 PFRS invoice	1,061,179	-	117,236	943,943	121,339
2013/14 PFRS invoice	884,399	-	112,792	771,607	117,033
2012/13 PFRS invoice	546,808	-	130,702	416,106	134,623
2011/12 PFRS invoice	134,125	-	43,073	91,052	44,689
Total PFRS retirement bill	<u>4,806,934</u>	<u>321,053</u>	<u>585,828</u>	<u>4,542,159</u>	<u>628,443</u>
Total retirement bill	9,763,218	386,588	-	8,899,451	1,320,262
Past service cost liability 2018 PFRS	8,935,235	-	1,233,464	7,701,771	1,325,972
Total retirement incentives and other pension obligations	<u>\$ 18,698,453</u>	<u>\$ 386,588</u>	<u>\$ 1,233,464</u>	<u>\$ 16,601,222</u>	<u>\$ 2,646,234</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 8 - Pension Plans - Continued

*g. Retirement Incentives and Other Pension Obligations - Continued*

Future principal and interest due on retirement incentives and other pension obligations is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,			
2020	\$ 2,646,234	\$ 878,831	\$ 3,525,065
2021	2,790,388	734,676	3,525,064
2022	2,795,398	581,529	3,376,927
2023	2,642,246	424,336	3,066,582
2024	2,800,179	266,407	3,066,586
2025 through 2029	2,796,194	225,878	3,022,072
2030 through 2031	130,583	5,458	136,041
	<u>\$ 16,601,222</u>	<u>\$ 3,117,115</u>	<u>\$ 19,718,337</u>

### Note 9 - Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the Town provides certain healthcare benefits for retired employees through a single employer defined benefit plan. The benefits of the Plan include medical/prescription, Medicare Part B, dental and vision. Substantially all of the Town's employees may be eligible for these benefits when they reach normal retirement age while working for the Town.

The Town is not required to fund the Plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants of the Plan as of the Plan's January 1, 2018 actuarial valuation date, is as follows:

	<u>Active</u>	<u>Retirees</u>	<u>Total</u>
Male	231	161	392
Female	75	62	137
Total	<u>306</u>	<u>223</u>	<u>529</u>

At December 31, 2019, the Town reported a liability of \$189,879,707 for its OPEB liability in the governmental activities. The OPEB liability was measured as of January 1, 2018 by an actuarial valuation using census data information as of that date. For the year ended December 31, 2019, the Town recognized OPEB expense of \$14,022,600 in the governmental activities. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	<u>\$ 12,614,986</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	
2020	\$ 3,105,854
2021	2,893,876
2022	2,893,876
2023	1,995,490
2024	1,220,650
Thereafter	<u>505,240</u>
 Total	 <u><u>\$ 12,614,986</u></u>

The total OPEB liability at December 31, 2019 was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Actuarial Cost Method	
Discount rate	4.10%, based on the Bond Buyer's 20 Year Bond Index	
Mortality	Society of Actuaries' Scale MP-2014	
Retirement, disability and termination	"Development of Recommended Actuarial Assumptions" for New York/SUNY GASB 45 Valuation prepared by the AON Hewitt dated September 2016	
Disability rate	Police	Non-Police
	Age 20 - 0.090%	Age 20 - 0.068%
	Age 30 - 0.090%	Age 30 - 0.068%
	Age 40 - 0.620%	Age 40 - 0.158%
	Age 50 - 0.904%	Age 50 - 0.390%
	Age 60 - 1.260%	Age 60 - 0.913%
Health care cost trend rates	2019 - 8.0% 2020 - 7.5% 2021 - 7.0% 2022 - 6.5% 2023 - 6.0% 2024 - 5.5% Thereafter - 5.0%	
Participation rate	100% assumed participation rate	
Participant salary increases	3.50% annually	
Payroll growth rate	2.50% annually	



# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost-sharing provisions then in effect.

Changes in the OPEB liability are as follows:

January 1, 2019	\$ 181,339,939
Changes for the year	
Service cost	6,435,095
Interest	7,587,505
Benefit payments	<u>(5,482,832)</u>
Net changes	<u>8,539,768</u>
December 31, 2019	<u><u>\$ 189,879,707</u></u>

The following presents the OPEB liability of the Plan as of December 31, 2019 using the current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates 1% lower or 1% higher than the current rates:

1% Decrease	Current Rates	1% Increase
<u>\$ 159,437,926</u>	<u>\$ 189,879,707</u>	<u>\$ 228,993,268</u>

The following presents the OPEB liability of the Plan as of December 31, 2019 calculated using the current discount rate of 4.10%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

1% Decrease 3.10%	Current Discount 4.10%	1% Increase 5.10%
<u>\$ 220,666,103</u>	<u>\$ 189,879,707</u>	<u>\$ 165,073,236</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 10 - Fund Balance

A summary of the Town's governmental fund balance as of December 31, 2019 is as follows:

	General	Town Outside Villages	Police	Highway	Special Districts	Debt Service	Capital Projects	Total
<b>Restricted</b>								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,815	\$ -	\$ 29,815
Capital projects	-	-	-	-	-	-	5,284,332	5,284,332
Law enforcement	-	-	108,842	-	-	-	-	108,842
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>108,842</b>	<b>-</b>	<b>-</b>	<b>29,815</b>	<b>5,284,332</b>	<b>5,422,989</b>
<b>Assigned</b>								
<b>Encumbrances</b>								
General government	1,914	-	-	-	-	-	-	1,914
Public safety	-	-	2,590,208	-	-	-	-	2,590,208
Home and community service	-	1,976,453	-	-	37,747	-	-	2,014,200
<b>Specific use</b>								
Consolidated water district	-	-	-	-	1,931,605	-	-	1,931,605
Consolidated ambulance district	-	-	-	-	1,847,833	-	-	1,847,833
Consolidated sewer district	-	-	-	-	2,413,221	-	-	2,413,221
Street lighting district	-	-	-	-	2,410,695	-	-	2,410,695
Refuse and garbage district	-	-	-	-	483,364	-	-	483,364
Combined fire district	-	-	-	-	292,496	-	-	292,496
<b>Total assigned</b>	<b>1,914</b>	<b>1,976,453</b>	<b>2,590,208</b>	<b>-</b>	<b>9,416,961</b>	<b>-</b>	<b>-</b>	<b>13,985,536</b>
<b>Unassigned</b>								
Fund balance (deficit)	(3,796,801)	-	-	(963,344)	-	-	-	(4,760,145)
<b>Total fund balances</b>	<b>\$ (3,794,887)</b>	<b>\$ 1,976,453</b>	<b>\$ 2,699,050</b>	<b>\$ (963,344)</b>	<b>\$ 9,416,961</b>	<b>\$ 29,815</b>	<b>\$ 5,284,332</b>	<b>\$ 14,648,380</b>

### Note 11 - Commitments and Contingencies

#### a. *Litigation and Contingencies*

In January of 2019, the Town entered into a Settlement Agreement with Rockland County and the Board of Commissioners of the Rockland County Sewer District No. 1 (RCSD) to resolve a financial dispute that arose over the advancement of funds to the Town for future services to be provided. Under the Settlement Agreement with Rockland County, the Town is required to pay the first \$400,000 of all monies borrowed, used, or otherwise expensed by RSCD or the County, for the Hillburn Advanced Waste Water Treatment Plan Project. The Town has no obligation for services or to provide funds in an amount over \$400,000. The funds were received by the Highway Fund in 2012; a corresponding accrued liability in the amount of \$400,000 has been recorded at December 31, 2019.

In March of 2020, the Town entered into a Settlement Agreement with a former employee to resolve all disputes between the former employee and the Town. Under the Settlement Agreement with the former employee, the Town paid two payments of \$298,000 and \$452,000, respectively, to the former employee during March 2020 and is required to pay the former employee \$450,469 subsequent to January 1, 2021, but prior to January 15, 2021; \$436,906 subsequent to January 1, 2022, but prior to January 15, 2022; \$423,344 subsequent to January 1, 2023, but prior to January 15, 2023; and \$409,781 subsequent to January 1, 2024, but prior to January 15, 2024. In addition, during March 2020, the Town paid two payments of \$120,000 and \$150,000, respectively, to two separate legal firms that represented the former employee. All amounts owed to the former employee and the legal firms representing the former employee are recorded in the General Liability Internal Service Fund at December 31, 2019.

The Town is involved in other suits and claims arising from a variety of sources. The Town records accruals for claims liability to the extent that management concludes their occurrence is probable and related damages are estimable. If the range of the liability is probable and estimable, the Town accrues the amount most likely to be paid. If no single amount in the estimated range is more likely to be paid, the Authority accrues the lowest amount in the range. The Town's other claims liability totals \$756,000 at December 31, 2019 and is recorded in the General Liability Internal Service Fund.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 11 - Commitments and Contingencies - Continued

#### a. Litigation and Contingencies - Continued

In addition, the Town has other claims for which a liability is not probable but is possible and estimable. The estimated loss on these other claim's totals \$445,000 at December 31, 2019, none of which has been accrued.

The Town is involved in certain other claims arising from a variety of sources that do not have an estimable probability of occurrence and for which damages are not estimable. No amounts have been accrued related to these other claims.

#### b. Grantor Agencies

Amounts received or receivable from grantor agencies could be subject to audit and adjustment by the grantor agency. 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.

#### c. Tax Abatements

The Town negotiates property tax abatement agreements on an individual basis. The Town has tax abatement agreements, as well as negotiated payment in lieu of tax (PILOT) agreements. Information relevant to the disclosure of these property tax abatement agreements for the year ended December 31, 2019 is as follows:

Property Owner	Taxable Assessed Value	Tax Rate per 000	Tax Value	PILOT Received	Taxes Abated
Avon	\$ 6,811,800	\$ 18.1468	\$ 123,612	\$ 20,644	\$ 102,968
244 North Main Street	594,000	18.1468	10,779	8,535	2,244
Youngblood Housing	423,000	18.1468	7,676	1,380	6,296
Snedden Place	2,050,000	18.1468	37,201	12,275	24,926
Spring Valley Site IV	2,000,000	18.1468	36,294	3,272	33,022
Esther Dashew - FLG Companies	1,118,700	18.1468	20,301	6,912	13,389
Empire Executive Inn	1,057,000	45.6327	48,234	32,285	15,949
Stef Two Realty	2,298,000	45.6327	104,864	93,479	11,385
Raymour & Flanigan	4,850,000	45.6327	221,319	165,845	55,474
Millennium Pipeline	4,825,420	45.6327	220,197	38,347	181,850
Liptis Holding	400,000	45.6327	18,253	12,043	6,210
Wilson Avenue	2,100,000	45.6327	95,829	27,154	68,675
Fountainview	4,480,515	45.6327	204,458	81,760	122,698
Montebello Commons	2,300,000	45.6327	104,955	2,108	102,847
Schoolhouse Road Estates	1,022,635	45.6327	46,666	44,133	2,533
Spook Rock United Elderly I, II & III	2,500,000	45.6327	114,082	10,836	103,246
Jawanio	450,000	45.6327	20,535	1,839	18,696
Orange Avenue Apartments	2,316,800	45.6327	105,722	4,627	101,095
Oakwood Housing	456,000	45.6327	20,809	10,887	9,922
	<u>\$ 42,053,870</u>		<u>\$ 1,561,786</u>	<u>\$ 578,361</u>	<u>\$ 983,425</u>

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 11 - Commitments and Contingencies - Continued

#### *d. Corporation Commitments*

The Corporation entered into a 20-year lease commencing June 2011 with the Rockland Boulders, a professional baseball team which is a member of the Canadian American League. Pursuant to the lease, the team maintains their administrative offices in the Stadium building for the entire year. In addition, the team has exclusive rights to the field and Stadium for 65 days a year to accommodate their home game season schedule and pre-season events. The base rent is \$175,000 per year plus additional rent, subject to deductions for certain direct expenses, calculated as follows:

- \$1 for every fixed seat ticket sold per professional baseball game up to and including the first 150,000 tickets sold (except suite seats sold, which are paid on a gross basis without deduction for the Corporation's expenses).
- \$2 for every fixed seat ticket sold per professional baseball game above the first 150,000 tickets sold.
- \$2 for each car paid and parked for a professional baseball game, as long as the Corporation provides at a minimum 1,200 parking spaces for each event.
- 20% of the Corporation's share of proceeds from sales of merchandise sold at the ballpark on the days professional baseball games are played.
- 10% of the Corporation's share of proceeds from all food and beverage items sold.
- 50% of net revenue from all broadcast advertising.
- 50% of any ballpark naming rights.
- 50% of revenue from licensing of or other grant of use rights to ballpark suites.

The lease provides that within sixty (60) days prior to the eleventh (11th) anniversary date of the opening date, the parties to this agreement have agreed to meet in good faith to discuss equitable adjustments to the rental amounts per the original agreement.

### Note 12 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of 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 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 requirements of this statement are effective for reporting periods beginning after December 15, 2019, however, GASB has issued an exposure draft that, if adopted, would delay the implementation by an additional year.

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 12 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2019, however, GASB has issued an exposure draft that, if adopted, would delay the implementation by an additional year.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations, noting that issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. The requirements of this statement are effective for reporting periods beginning after December 15, 2020, however, GASB has issued an exposure draft that, if adopted, would delay the implementation by an additional year.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the issuance of the standard in January 2020. The remaining components of this standard are effective for periods beginning after June 15, 2020, however, GASB has issued an exposure draft that, if adopted, would delay the implementation by an additional year.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR,

# Town of Ramapo, New York

## Notes to Financial Statements December 31, 2019

### Note 12 - Accounting Standards Issued But Not Yet Implemented - Continued

such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020, however, GASB has issued an exposure draft that, if adopted, would delay the implementation by an additional year.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

Management has not estimated the extent of the potential impact, if any, of these statements on the Town's financial statements.

## Town of Ramapo, New York

### Required Supplementary Information - Schedule of Other Postemployment Benefits Liability

	2019	2018
Beginning of year	\$ 181,339,939	\$ 190,854,135
Changes for the year		
Service cost	6,435,095	7,470,606
Interest	7,587,505	6,739,309
Changes in assumptions and other inputs	-	(18,853,752)
Benefit payments	(5,482,832)	(4,870,359)
Net changes	8,539,768	(9,514,196)
End of year	\$ 189,879,707	\$ 181,339,939
Covered payroll	\$ 34,374,994	\$ 33,536,580
OPEB liability as a percentage of covered payroll	552.38%	540.72%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Town of Ramapo, New York

## Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>New York State and Local Employees' Retirement System</b>						
Town's proportion of the net pension liability	0.0631953%	0.0676026%	0.0676387%	0.0724094%	0.0714912%	0.0714912%
Town's proportionate share of the net pension liability	\$ 4,477,577	\$ 2,181,836	\$ 6,355,486	\$11,621,912	\$ 2,415,148	\$ 3,230,588
Town's covered-employee payroll	\$18,414,736	\$19,313,119	\$19,870,167	\$19,436,160	\$ 18,729,889	\$ 18,276,639
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	24.32%	11.30%	31.99%	59.80%	12.89%	17.68%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.68%	97.95%	97.15%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>New York State and Local Police and Fire Retirement System</b>						
Town's proportion of the net pension liability	0.4098125%	0.4467120%	0.4412901%	0.4504787%	0.4253619%	0.4253619%
Town's proportionate share of the net pension liability	\$ 6,872,814	\$ 4,515,173	\$ 9,146,409	\$13,337,715	\$ 1,170,849	\$ 1,770,822
Town's covered-employee payroll	\$17,728,170	\$17,974,460	\$20,202,418	\$18,029,520	\$ 17,787,619	\$ 16,948,516
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.77%	25.12%	45.27%	73.98%	6.58%	10.45%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.46%	90.24%	99.03%	98.48%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*



# Town of Ramapo, New York

## Required Supplementary Information Schedule of Pension Contributions

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>New York State and Local Employees' Retirement System</b>						
Contractually required contribution	\$ 3,521,907	\$ 3,620,226	\$ 3,545,488	\$ 3,243,464	\$ 3,530,832	\$ 3,244,108
Contributions in relation to the contractually required contribution	\$ 3,521,907	\$ 3,620,226	\$ 3,545,488	\$ 3,243,464	\$ 3,530,832	\$ 3,244,108
Contribution deficiency	-	-	-	-	-	-
Town's covered-employee payroll	\$ 18,414,736	\$ 19,313,119	\$ 19,870,167	\$ 19,436,160	\$ 18,729,889	\$ 18,276,639
Contributions as a percentage of covered-employee payroll	19.13%	18.74%	17.84%	16.69%	18.85%	17.75%
<b>New York State and Local Police and Fire Retirement System</b>						
Contractually required contribution	\$ 6,655,373	\$ 6,563,826	\$ 6,899,880	\$ 6,095,546	\$ 4,473,420	\$ 3,776,621
Contributions in relation to the contractually required contribution	\$ 6,655,373	\$ 6,563,826	\$ 6,899,880	\$ 6,095,546	\$ 4,473,420	\$ 3,776,621
Contribution deficiency	-	-	-	-	-	-
Town's covered-employee payroll	\$ 17,728,170	\$ 17,974,460	\$ 20,202,418	\$ 18,029,520	\$ 17,787,619	\$ 16,948,516
Contributions as a percentage of covered-employee payroll	37.54%	36.52%	34.15%	33.81%	25.15%	22.28%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Town of Ramapo, New York

## Required Supplementary Information - Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund

	Year Ended December 31, 2019			Variance With Actual vs. Modified Positive (Negative)
	2019 Adopted Budget	2019 Modified Budget	2019 Actual	
<b>REVENUES</b>				
Real property taxes	\$ 27,256,074	\$ 27,256,074	\$ 27,310,140	\$ 54,066
Other property tax items	835,000	835,000	677,476	(157,524)
Non-property tax items	4,900,000	4,900,000	5,621,977	721,977
Departmental income	6,741,500	6,741,500	7,148,086	406,586
Use of money and property	440,000	440,000	409,361	(30,639)
Licenses and permits	7,500	7,500	6,098	(1,402)
Fines and forfeitures	953,000	953,000	1,327,246	374,246
Sale of property and compensation for loss	10,000	10,000	81,931	71,931
Miscellaneous	-	-	45,392	45,392
State aid	427,314	427,314	427,314	-
Interfund revenues	3,765,000	3,765,000	4,546,551	781,551
Total revenues	45,335,388	45,335,388	47,601,572	2,266,184
<b>EXPENDITURES</b>				
General government support	24,114,429	23,916,630	19,984,105	3,932,525
Public safety	152,626	155,362	213,391	(58,029)
Transportation	419,211	419,211	269,677	149,534
Economic opportunity and development	480,509	480,509	459,900	20,609
Culture and recreation	9,117,666	9,359,068	8,392,269	966,799
Home and community services	440,563	442,998	344,426	98,572
Debt service, principal	535,000	535,000	535,000	-
Debt service, interest	16,050	16,050	16,005	45
Total expenditures	35,276,054	35,324,828	30,214,773	5,110,055
<b>Excess of revenues over expenditures</b>	<b>10,059,334</b>	<b>10,010,560</b>	<b>17,386,799</b>	<b>7,376,239</b>
<b>OTHER FINANCING USES</b>				
Contributions	(1,636,800)	(1,636,800)	(2,145,295)	(508,495)
Operating transfers out	(8,422,534)	(8,422,534)	(8,333,326)	89,208
Total other financing uses	(10,059,334)	(10,059,334)	(10,478,621)	(419,287)
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(48,774)</b>	<b>6,908,178</b>	<b>6,956,952</b>
<b>FUND BALANCE, <i>beginning of year</i></b>	<b>(10,703,065)</b>	<b>(10,703,065)</b>	<b>(10,703,065)</b>	<b>-</b>
<b>FUND BALANCE, <i>end of year</i></b>	<b>\$ (10,703,065)</b>	<b>\$ (10,751,839)</b>	<b>\$ (3,794,887)</b>	<b>\$ 6,956,952</b>

# Town of Ramapo, New York

## Required Supplementary Information - Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Town Outside Villages Fund

	Year Ended December 31, 2019			Variance With
	2019 Adopted Budget	2019 Modified Budget	2019 Actual	Actual vs. Modified Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 2,243,798	\$ 2,243,798	\$ 2,247,154	\$ 3,356
Non-property tax items	370,000	370,000	345,364	(24,636)
Departmental income	410,000	410,000	679,011	269,011
Intergovernmental charges	55,000	55,000	65,490	10,490
Use of money and property	92,000	92,000	168,211	76,211
Licenses and permits	900,000	900,000	1,135,237	235,237
Sale of property and compensation for loss	85,000	85,000	89,670	4,670
Miscellaneous	10,000	10,000	40,032	30,032
Total revenues	4,165,798	4,165,798	4,770,169	604,371
<b>EXPENDITURES</b>				
Home and community services	4,205,137	4,205,558	3,581,409	624,149
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(39,339)</b>	<b>(39,760)</b>	<b>1,188,760</b>	<b>1,228,520</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	(35,661)	(35,661)	(355,661)	320,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>(75,000)</b>	<b>(75,421)</b>	<b>833,099</b>	<b>1,548,520</b>
<b>FUND BALANCE, beginning of year</b>	1,143,354	1,143,354	1,143,354	-
<b>FUND BALANCE, end of year</b>	<b>\$ 1,068,354</b>	<b>\$ 1,067,933</b>	<b>\$ 1,976,453</b>	<b>\$ 1,548,520</b>

# Town of Ramapo, New York

## Required Supplementary Information - Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Police Fund

	Year Ended December 31, 2019			Variance With Actual vs. Modified Positive (Negative)
	2019 Adopted Budget	2019 Modified Budget	2019 Actual	
<b>REVENUES</b>				
Real property taxes	\$ 36,529,514	\$ 36,529,514	\$ 36,593,398	\$ 63,884
Other property tax items	255,000	255,000	223,448	(31,552)
Departmental income	2,000	10,666	15,382	4,716
Intergovernmental charges	-	-	6,600	6,600
Use of money and property	20,000	20,000	410,662	390,662
Fines and forfeitures	-	1,016	4,635	3,619
Sale of property and compensation for loss	-	-	23,414	23,414
Miscellaneous	80,000	94,512	162,935	68,423
State aid	-	24,150	24,150	-
Federal aid	-	9,172	9,172	-
Total revenues	36,886,514	36,944,030	37,473,796	529,766
<b>EXPENDITURES</b>				
Public safety	41,717,454	42,871,061	41,536,049	1,335,012
<b>Deficiency of revenues over expenditures</b>	<b>(4,830,940)</b>	<b>(5,927,031)</b>	<b>(4,062,253)</b>	<b>(805,246)</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	(169,060)	(169,060)	(169,060)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,000,000)</b>	<b>(6,096,091)</b>	<b>(4,231,313)</b>	<b>(805,246)</b>
<b>FUND BALANCE, <i>beginning of year</i></b>	<b>6,930,363</b>	<b>6,930,363</b>	<b>6,930,363</b>	<b>-</b>
<b>FUND BALANCE, <i>end of year</i></b>	<b>\$ 1,930,363</b>	<b>\$ 834,272</b>	<b>\$ 2,699,050</b>	<b>\$ (805,246)</b>

# Town of Ramapo, New York

## Required Supplementary Information - Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Highway Fund

	Year Ended December 31, 2019			Variance With Actual vs. Modified Positive (Negative)
	2019 Adopted Budget	2019 Modified Budget	2019 Actual	
<b>REVENUES</b>				
Real property taxes	\$ 10,747,954	\$ 10,747,954	\$ 10,747,900	\$ (54)
Intergovernmental charges	1,871,000	1,871,000	1,837,480	(33,520)
Departmental income	-	261,493	261,493	-
Use of money and property	10,000	10,000	69,401	59,401
Licenses and permits	35,000	35,000	55,850	20,850
Sale of property and compensation for loss	-	-	57,000	57,000
Miscellaneous	-	-	14,325	14,325
State aid	230,000	230,000	233,219	3,219
Total revenues	12,893,954	13,155,447	13,276,668	121,221
<b>EXPENDITURES</b>				
Transportation	9,075,722	9,351,431	9,409,083	(57,652)
<b>Excess of revenues over expenditures</b>	<b>3,818,232</b>	<b>3,804,016</b>	<b>3,867,585</b>	<b>63,569</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	320,000	320,000	-
Operating transfers out	(3,940,232)	(3,940,232)	(3,939,017)	1,215
Total other financing sources (uses)	<b>(3,940,232)</b>	<b>(3,620,232)</b>	<b>(3,619,017)</b>	<b>1,215</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(122,000)</b>	<b>183,784</b>	<b>248,568</b>	<b>64,784</b>
<b>FUND BALANCE, <i>beginning of year</i></b>	<b>(1,211,912)</b>	<b>(1,211,912)</b>	<b>(1,211,912)</b>	<b>-</b>
<b>FUND BALANCE, <i>end of year</i></b>	<b>\$ (1,333,912)</b>	<b>\$ (1,028,128)</b>	<b>\$ (963,344)</b>	<b>\$ 64,784</b>

# Town of Ramapo, New York

## Required Supplementary Information - Schedule of Revenues, Expenditures, and Change in Fund Balance Budget and Actual - Special Districts Fund

	Year Ended December 31, 2019			Variance With Actual vs. Modified Positive (Negative)
	2019 Adopted Budget	2019 Modified Budget	2019 Actual	
<b>REVENUES</b>				
Real property taxes	\$ 10,231,497	\$ 10,231,497	\$ 10,242,767	\$ 11,270
Departmental income	5,332,000	5,332,000	5,430,851	98,851
Use of money and property	23,000	23,000	140,441	117,441
Miscellaneous	-	-	30,635	30,635
Total revenues	15,586,497	15,586,497	15,844,694	258,197
<b>EXPENDITURES</b>				
Public safety	525,450	525,450	505,450	20,000
Health	9,137,500	9,137,500	9,604,754	(467,254)
Home and community services	8,571,749	8,574,573	8,863,473	(288,900)
Total expenditures	18,234,699	18,237,523	18,973,677	(736,154)
<b>Deficiency of revenues over expenditures</b>	<b>(2,648,202)</b>	<b>(2,651,026)</b>	<b>(3,128,983)</b>	<b>(477,957)</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	(343,298)	(343,298)	(342,803)	(495)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,991,500)</b>	<b>(2,994,324)</b>	<b>(3,471,786)</b>	<b>(478,452)</b>
<b>FUND BALANCE, beginning of year</b>	12,888,747	12,888,747	12,888,747	-
<b>FUND BALANCE, end of year</b>	<b>\$ 9,897,247</b>	<b>\$ 9,894,423</b>	<b>\$ 9,416,961</b>	<b>\$ (478,452)</b>

# Town of Ramapo, New York

## Supplementary Information - Special Revenue Fund - Combining Balance Sheet - Special Districts

	December 31, 2019						
	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting District	Refuse and Garbage District	Fire Protection Districts	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 684,611	\$ 145,104	\$ 282,938	\$ 1,265,694	\$ 479,837	\$ 292,496	\$ 3,150,680
Accounts receivable, net	-	2,014,308	4,943	-	-	-	2,019,251
Due from other funds	1,422,178	112,377	2,940,580	1,404,821	697,661	-	6,577,617
<b>Total assets</b>	<b><u>\$ 2,106,789</u></b>	<b><u>\$ 2,271,789</u></b>	<b><u>\$ 3,228,461</u></b>	<b><u>\$ 2,670,515</u></b>	<b><u>\$ 1,177,498</u></b>	<b><u>\$ 292,496</u></b>	<b><u>\$ 11,747,548</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 131	\$ 212,337	\$ 43,278	\$ 33,079	\$ 351,928	\$ -	\$ 640,753
Accrued liabilities	-	-	169,101	-	-	-	169,101
Due to other governments	-	375	-	-	-	-	375
Due to other funds	175,053	211,244	558,114	226,741	342,206	-	1,513,358
Deposits payable	-	-	7,000	-	-	-	7,000
Total liabilities	<u>175,184</u>	<u>423,956</u>	<u>777,493</u>	<u>259,820</u>	<u>694,134</u>	<u>-</u>	<u>2,330,587</u>
<b>FUND BALANCES</b>							
Assigned	<u>1,931,605</u>	<u>1,847,833</u>	<u>2,450,968</u>	<u>2,410,695</u>	<u>483,364</u>	<u>292,496</u>	<u>9,416,961</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,106,789</u></b>	<b><u>\$ 2,271,789</u></b>	<b><u>\$ 3,228,461</u></b>	<b><u>\$ 2,670,515</u></b>	<b><u>\$ 1,177,498</u></b>	<b><u>\$ 292,496</u></b>	<b><u>\$ 11,747,548</u></b>

# Town of Ramapo, New York

## Supplementary Information - Special Revenue Fund - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Districts

	Year Ended December 31, 2019						
	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting District	Refuse and Garbage District	Fire Protection Districts	Total
<b>REVENUES</b>							
Real property taxes	\$ 1,516,006	\$ 3,857,503	\$ 1,815,307	\$ -	\$ 2,697,001	\$ 356,950	\$ 10,242,767
Departmental income	-	5,333,807	97,044	-	-	-	5,430,851
Use of money and property	41,734	16,770	24,638	24,437	32,862	-	140,441
Miscellaneous	-	-	16,425	14,210	-	-	30,635
Total revenues	<u>1,557,740</u>	<u>9,208,080</u>	<u>1,953,414</u>	<u>38,647</u>	<u>2,729,863</u>	<u>356,950</u>	<u>15,844,694</u>
<b>EXPENDITURES</b>							
Public safety	-	-	-	-	-	505,450	505,450
Health	-	9,604,754	-	-	-	-	9,604,754
Home and community services	2,324,564	-	2,762,036	390,979	3,385,894	-	8,863,473
Total expenditures	<u>2,324,564</u>	<u>9,604,754</u>	<u>2,762,036</u>	<u>390,979</u>	<u>3,385,894</u>	<u>505,450</u>	<u>18,973,677</u>
<b>Deficiency of revenues over expenditures</b>	<b>(766,824)</b>	<b>(396,674)</b>	<b>(808,622)</b>	<b>(352,332)</b>	<b>(656,031)</b>	<b>(148,500)</b>	<b>(3,128,983)</b>
<b>OTHER FINANCING USES</b>							
Operating transfers out	-	-	(342,803)	-	-	-	(342,803)
<b>Net change in fund balances</b>	<b>(766,824)</b>	<b>(396,674)</b>	<b>(1,151,425)</b>	<b>(352,332)</b>	<b>(656,031)</b>	<b>(148,500)</b>	<b>(3,471,786)</b>
<b>FUND BALANCES, beginning of year</b>	<u>2,698,429</u>	<u>2,244,507</u>	<u>3,602,393</u>	<u>2,763,027</u>	<u>1,139,395</u>	<u>440,996</u>	<u>12,888,747</u>
<b>FUND BALANCES, end of year</b>	<u><b>\$ 1,931,605</b></u>	<u><b>\$ 1,847,833</b></u>	<u><b>\$ 2,450,968</b></u>	<u><b>\$ 2,410,695</b></u>	<u><b>\$ 483,364</b></u>	<u><b>\$ 292,496</b></u>	<u><b>\$ 9,416,961</b></u>



# Town of Ramapo, New York

## Supplementary Information - Special Revenue Fund - Combining Balance Sheet - Highway Fund

	December 31, 2019		
	Town-Wide Highway	Town - Outside Village Highway	Total
	<b>ASSETS</b>		
Cash and cash equivalents	\$ 369,838	\$ 9,590	\$ 379,428
Accounts receivable	-	2,275	2,275
Due from other governments	2,096	-	2,096
Due from other funds	213,612	705,854	919,466
	<b>\$ 585,546</b>	<b>\$ 717,719</b>	<b>\$ 1,303,265</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 57,828	\$ 57,828
Accrued liabilities	348,982	580,870	929,852
Due to other governments	-	400,000	400,000
Due to other funds	775,023	103,906	878,929
Total liabilities	1,124,005	1,142,604	2,266,609
<b>FUND BALANCES</b>			
Unassigned	(538,459)	(424,885)	(963,344)
	<b>\$ 585,546</b>	<b>\$ 717,719</b>	<b>\$ 1,303,265</b>

# Town of Ramapo, New York

## Supplementary Information - Special Revenue Fund - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Highway Fund

	Year Ended December 31, 2019		
	Town-Wide Highway	Town Outside Village Highway	Total
<b>REVENUES</b>			
Real property taxes	\$ 2,226,103	\$ 8,521,797	\$ 10,747,900
Intergovernmental charges	46,827	1,790,653	1,837,480
Departmental income	-	261,493	261,493
Licenses and permits	-	55,850	55,850
Use of money and property	18,712	50,689	69,401
Miscellaneous	8,668	5,657	14,325
Sale of property and compensation for loss	-	57,000	57,000
State aid	-	233,219	233,219
Total revenues	2,300,310	10,976,358	13,276,668
<b>EXPENDITURES</b>			
Transportation	1,998,585	7,410,498	9,409,083
<b>Excess of revenues over expenditures</b>	<b>301,725</b>	<b>3,565,860</b>	<b>3,867,585</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	320,000	320,000
Operating transfers out	-	(3,939,017)	(3,939,017)
Total other financing sources (uses)	-	(3,619,017)	(3,619,017)
<b>Net change in fund balances</b>	<b>301,725</b>	<b>(53,157)</b>	<b>248,568</b>
<b>FUND BALANCES, <i>beginning of year</i></b>	<b>(840,184)</b>	<b>(371,728)</b>	<b>(1,211,912)</b>
<b>FUND BALANCES, <i>end of year</i></b>	<b>\$ (538,459)</b>	<b>\$ (424,885)</b>	<b>\$ (963,344)</b>

# Town of Ramapo, New York

## Supplementary Information - Special Revenue Fund - Fire Protection Districts - Combining Balance Sheet

Year Ended December 31, 2019

	<u>Ramapo #1</u>	<u>Ramapo #2</u>	<u>Ramapo #3</u>	<u>Ramapo #4</u>	<u>Ramapo #5</u>	<u>Johnsontown Road</u>	<u>Park Crest</u>	<u>Elimination</u>	<u>Total</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 129	\$ 178	\$ 193,395	\$ 80,951	\$ (10)	\$ 41	\$ 17,812	\$ -	\$ 292,496
Due from other funds	-	-	40,025	-	-	-	-	(40,025)	-
	<u>\$ 129</u>	<u>\$ 178</u>	<u>\$ 233,420</u>	<u>\$ 80,951</u>	<u>\$ (10)</u>	<u>\$ 41</u>	<u>\$ 17,812</u>	<u>\$ (40,025)</u>	<u>\$ 292,496</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Due to other funds	\$ 20,025	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ (40,025)	\$ -
<b>FUND BALANCES</b>									
Assigned	(19,896)	178	233,420	80,951	(20,010)	41	17,812	-	292,496
<b>Total liabilities and fund balances</b>	<u>\$ 129</u>	<u>\$ 178</u>	<u>\$ 233,420</u>	<u>\$ 80,951</u>	<u>\$ (10)</u>	<u>\$ 41</u>	<u>\$ 17,812</u>	<u>\$ (40,025)</u>	<u>\$ 292,496</u>

# Town of Ramapo, New York

## Supplementary Information - Special Revenue Fund - Fire Protection Districts - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Year Ended December 31, 2019							
	Ramapo #1	Ramapo #2	Ramapo #3	Ramapo #4	Ramapo #5	Johnsontown Road	Park Crest	Total
<b>REVENUES</b>								
Real property taxes	\$ 100,500	\$ 198,500	\$ -	\$ -	\$ 44,000	\$ 8,000	\$ 5,950	\$ 356,950
<b>EXPENDITURES</b>								
Public safety	100,500	198,500	103,500	25,000	64,000	8,000	5,950	505,450
<b>Net change in fund balances</b>	-	-	(103,500)	(25,000)	(20,000)	-	-	(148,500)
<b>FUND BALANCES, beginning of year</b>	(19,896)	178	336,920	105,951	(10)	41	17,812	440,996
<b>FUND BALANCES, end of year</b>	<u>\$ (19,896)</u>	<u>\$ 178</u>	<u>\$ 233,420</u>	<u>\$ 80,951</u>	<u>\$ (20,010)</u>	<u>\$ 41</u>	<u>\$ 17,812</u>	<u>\$ 292,496</u>

# Town of Ramapo, New York

## Supplementary Information - Internal Service Funds - Combining Statement of Net Position

ASSETS	December 31, 2019		
	Internal Service Funds		
	Workers' Compensation	General Liability	Total
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 737,582	\$ -	\$ 737,582
Prepaid expense	86,600	-	86,600
Due from governmental funds	-	73,591	73,591
Total current assets	824,182	73,591	897,773
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	20,845	12,160	33,005
Claims payable, current	1,032,786	-	1,032,786
Judgments payable, current	-	1,776,000	1,776,000
Total current liabilities	1,053,631	1,788,160	2,841,791
<b>NONCURRENT LIABILITIES</b>			
Claims payable, net of current portion	10,255,575	-	10,255,575
Judgments payable, net of current portion	-	1,720,500	1,720,500
Total liabilities	11,309,206	3,508,660	14,817,866
<b>NET POSITION (DEFICIT)</b>			
Unrestricted (deficit)	\$ (10,485,024)	\$ (3,435,069)	\$ (13,920,093)

## Town of Ramapo, New York

### Supplementary Information - Internal Service Funds - Combining Statement of Revenues, Expenses and Changes in Net Position

	Year Ended December 31, 2019		
	Internal Service Funds		
	Workers' Compensation	General Liability	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,763,000	\$ -	\$ 1,763,000
Insurance recoveries	704,762	-	704,762
Total operating revenues	2,467,762	-	2,467,762
<b>OPERATING EXPENSES</b>			
General and administrative	209,901	-	209,901
Claims	1,644,905	-	1,644,905
Judgments	-	2,832,763	2,832,763
Total operating expenses	1,854,806	2,832,763	4,687,569
<b>Operating income (loss)</b>	<b>612,956</b>	<b>(2,832,763)</b>	<b>(2,219,807)</b>
<b>NONOPERATING REVENUES</b>			
Interest income	21,111	2	21,113
<b>CHANGES IN NET POSITION (DEFICIT)</b>	<b>634,067</b>	<b>(2,832,761)</b>	<b>(2,198,694)</b>
<b>NET POSITION (DEFICIT), <i>beginning of year</i></b>	<b>(11,119,091)</b>	<b>(602,308)</b>	<b>(11,721,399)</b>
<b>NET DEFICIT (DEFICIT), <i>end of year</i></b>	<b>\$ (10,485,024)</b>	<b>\$ (3,435,069)</b>	<b>\$ (13,920,093)</b>

# Town of Ramapo, New York

## Supplementary Information - Internal Service Funds - Combining Statement of Cash Flows

	Year Ended December 31, 2019		
	Internal Service Funds		
	Workers' Compensation	General Liability	Total
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Cash received from providing services and insurance recoveries	\$ 2,494,091	\$ -	\$ 2,494,091
Cash paid for contractual expenses	(1,780,274)	(1,264)	(1,781,538)
	<b>713,817</b>	<b>(1,264)</b>	<b>712,553</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>			
Interest income received	21,111	2	21,113
	<b>21,111</b>	<b>2</b>	<b>21,113</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>734,928</b>	<b>(1,262)</b>	<b>733,666</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>2,654</b>	<b>1,262</b>	<b>3,916</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 737,582</b>	<b>\$ -</b>	<b>\$ 737,582</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 612,956	\$ (2,832,763)	\$ (2,219,807)
Changes in assets and liabilities			
Accounts receivable	26,329	-	26,329
Due from other governments	7,966	-	7,966
Due from general fund	35,000	(1)	34,999
Accounts payable and accrued expenses	(1,739)	12,160	10,421
Claims and judgments payable	33,305	2,819,340	2,852,645
	<b>\$ 713,817</b>	<b>\$ (1,264)</b>	<b>\$ 712,553</b>