



Town of Ramapo, New York

Financial Report

December 31, 2020

Town of Ramapo, New York

Financial Report

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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, 2020, 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, 2020, 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 Matter

As discussed in Note 1a to the financial statements, 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.

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 June 29, 2021, 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
June 29, 2021



Town of Ramapo, New York

Management's Discussion and Analysis December 31, 2020

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, 2020.

These management comments, written as of June 29, 2021, also provide the benefit of perspective on certain developments after December 31, 2020, 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, 2020

- On the December 31, 2020 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 \$154.4 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 \$251.4 million and deferred pension contribution payables of \$14.4 million at December 31, 2020.
- During 2020, the General Fund operations resulted in a surplus of approximately \$4.6 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 deficit of approximately \$3.8 million at the end of 2019 to a surplus fund balance of approximately \$780,000 at December 31, 2020.
- The Town's General Fund incurred approximately \$2.0 million dollars of costs on behalf of the Ramapo Local Development Corporation (Corporation), comprising \$400 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.
- During 2020 certain public services in the parks and recreation department were adversely impacted by COVID-19. Additionally, the entire 2020 Rockland Boulders season was cancelled. During the height of the pandemic the Town assisted other local governments and non-profit organizations acquire personal protective equipment. The revenues and expenditures associated with this program were largely cost neutral.

Town of Ramapo, New York

Management's Discussion and Analysis December 31, 2020

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, 2020

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, 2020

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	
	2020	2019	2020	2019	2020	2019
Assets						
Noncapital assets						
Cash and cash equivalents	\$ 23,306,079	\$ 28,872,394	\$ 155,696	\$ 202,411	\$ 23,461,775	\$ 29,074,805
Receivables, net	5,648,980	3,948,482	52,000	194,903	5,700,980	4,143,385
Internal balance	-	15,000	-	(15,000)	-	-
Other	216,600	216,600	2,040,585	2,040,585	2,257,185	2,257,185
Total noncapital assets	<u>29,171,659</u>	<u>33,052,476</u>	<u>2,248,281</u>	<u>2,422,899</u>	<u>31,419,940</u>	<u>35,475,375</u>
Capital assets	<u>150,573,492</u>	<u>154,889,691</u>	<u>34,622,109</u>	<u>35,821,412</u>	<u>185,195,601</u>	<u>190,711,103</u>
Total assets	<u>179,745,151</u>	<u>187,942,167</u>	<u>36,870,390</u>	<u>38,244,311</u>	<u>216,615,541</u>	<u>226,186,478</u>
Deferred outflows of resources	<u>87,636,581</u>	<u>22,923,543</u>	<u>581,505</u>	<u>609,167</u>	<u>88,218,086</u>	<u>23,532,710</u>
Liabilities						
Due within one year	31,098,454	33,863,884	2,177,534	2,160,664	33,275,988	36,024,548
Due in more than one year	<u>385,188,762</u>	<u>308,977,057</u>	<u>22,264,830</u>	<u>22,975,901</u>	<u>407,453,592</u>	<u>331,952,958</u>
Total liabilities	<u>416,287,216</u>	<u>342,840,941</u>	<u>24,442,364</u>	<u>25,136,565</u>	<u>440,729,580</u>	<u>367,977,506</u>
Deferred inflows of resources	<u>18,477,016</u>	<u>16,752,398</u>	<u>-</u>	<u>-</u>	<u>18,477,016</u>	<u>16,752,398</u>
Net position (deficit)						
Net investment in capital assets	77,798,260	72,601,927	12,227,793	12,763,767	90,026,053	85,365,694
Restricted	19,530	138,657	-	-	19,530	138,657
Unrestricted (deficits)	<u>(245,200,290)</u>	<u>(221,468,213)</u>	<u>781,738</u>	<u>953,146</u>	<u>(244,418,552)</u>	<u>(220,515,067)</u>
Total net position (deficit)	<u>\$ (167,382,500)</u>	<u>\$ (148,727,629)</u>	<u>\$ 13,009,531</u>	<u>\$ 13,716,913</u>	<u>\$ (154,372,969)</u>	<u>\$ (135,010,716)</u>

The governmental activities noncapital assets decreased by \$3.9 million. The decrease in noncapital assets is primarily cash and cash equivalents, offset partially by receivables. The decrease in cash and cash equivalents is primarily the result of the decrease in governmental fund balances of approximately \$2.8 million during the year ended December 31, 2020. Capital assets within the governmental activities decreased \$4.3 million driven primarily by depreciation expense of \$6.2 million, offset by additions of \$1.9 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 other postemployment benefits.

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 \$76.2 million in 2020. Significant components of this change include the Town's long-term debt, which decreased by approximately \$9.4 million, the net pension liability, which increased \$26.3 million and other postemployment benefits obligations which increased \$61.5 million. During 2020, the Town elected to amortize pension contributions of \$445 thousand over future reporting periods, while repaying \$2.6 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, 2020

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	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 17,867,057	\$ 17,854,542	\$ 85,618	\$ 500,889	\$ 17,952,675	\$ 18,355,431
Operating grants and contributions	104,619	196,257	-	-	104,619	196,257
Capital grants and contributions	274,237	354,002	-	-	274,237	354,002
General revenues						
Taxes	85,780,493	88,387,647	-	-	85,780,493	88,387,647
Other	8,593,124	7,847,514	77	101	8,593,201	7,847,615
Total revenues	<u>112,619,530</u>	<u>114,639,962</u>	<u>85,695</u>	<u>500,990</u>	<u>112,705,225</u>	<u>115,140,952</u>
Expenses						
General governmental support	25,037,231	21,322,454	-	-	25,037,231	21,322,454
Public safety	49,512,522	42,813,600	-	-	49,512,522	42,813,600
Health	11,182,362	10,338,202	-	-	11,182,362	10,338,202
Transportation	11,791,158	11,213,558	-	-	11,791,158	11,213,558
Economic opportunity and development	468,992	500,936	-	-	468,992	500,936
Culture and recreation	11,502,482	12,213,750	-	-	11,502,482	12,213,750
Home and community services	16,849,530	13,251,656	-	-	16,849,530	13,251,656
Interest on long-term debt	2,898,882	3,320,244	-	-	2,898,882	3,320,244
Ramapo LDC	-	-	2,824,319	2,905,696	2,824,319	2,905,696
Total expenses	<u>129,243,159</u>	<u>114,974,400</u>	<u>2,824,319</u>	<u>2,905,696</u>	<u>132,067,478</u>	<u>117,880,096</u>
Contributions	<u>(2,031,242)</u>	<u>(2,145,295)</u>	<u>2,031,242</u>	<u>2,145,295</u>	<u>-</u>	<u>-</u>
Change in net position (deficit)	(18,654,871)	(2,479,733)	(707,382)	(259,411)	(19,362,253)	(2,739,144)
Net position (deficit), beginning of year	<u>(148,727,629)</u>	<u>(146,247,896)</u>	<u>13,716,913</u>	<u>13,976,324</u>	<u>(135,010,716)</u>	<u>(132,271,572)</u>
Net position (deficit), end of year	<u>\$ (167,382,500)</u>	<u>\$ (148,727,629)</u>	<u>\$ 13,009,531</u>	<u>\$ 13,716,913</u>	<u>\$ (154,372,969)</u>	<u>\$ (135,010,716)</u>

During 2020, governmental activity program revenues remained stable in comparison to 2019, by decreasing approximately \$159 thousand. Tax revenues decreased \$2.6 million, primarily driven by a budgeted reduction in 2020 compared to 2019. Other revenues increased approximately \$745,000, primarily as the result of non-property tax revenues.

The governmental activities total expenses increased \$14.3 million or 12.4%, primarily as the result in the increase in the net pension liability and the other postemployment benefits liability.

The business-type activity reflects the results of operations of the Corporation. There were no significant changes in the Corporation's revenue sources, except that in 2020 the Rockland Boulders baseball season was cancelled due to COVID-19. Expenses of the Corporation are closely monitored by management. Reductions in expenses of approximately \$81 thousand are attributed to management cost containment strategies. During 2020, the Corporation received a contribution from the Town of \$2,031,242, which was entirely used to finance operations and debt service on a cash basis.

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.

Town of Ramapo, New York

Management's Discussion and Analysis December 31, 2020

Financial Analysis of the Town's Funds - Continued

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 \$11.9 million, of which \$4.2 million is restricted for public safety, debt service and capital projects. The change in governmental fund balance in 2020 totaled a reduction of approximately \$2.8 million. The deficit is largely attributed to capital spending of approximately \$1.1 million dollars.

During 2020, the Town's General Fund's fund balance improved by approximately \$4.6 million to a fund balance of approximately \$780 thousand.

In 2020, the Town Outside Village Fund's fund balance decreased approximately \$1.2 million. Town Outside Village Fund expenditures and operating transfers out were approximately \$820 thousand greater than expected. The TOV has a positive fund balance of approximately \$730 thousand at year end.

The Police Fund's final 2020 budget called for the use of approximately \$7.0 million in fund balance, while actual activity resulted in a decrease of fund balance of approximately \$3.7 million. Public safety continues to be the largest component of the Town's activities, representing 38.3% of total 2020 expenditures.

Town of Ramapo, New York

Management's Discussion and Analysis December 31, 2020

Financial Analysis of the Town's Funds - Continued

The Town's Highway Fund reported an approximate \$1.2 million increase in fund balance, primarily as the result of approximately \$1.3 million less in transportation expenditures than budgeted.

The Town's Special Districts fund balance declined by approximately \$2.5 million, driven primarily by a significant reduction in departmental income. The Special Districts Fund finished the year with a positive fund balance of approximately \$6.9 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, 2020		
	Final Budget	Actual	Variance
Total revenues	\$ 43,177,972	\$ 46,742,304	\$ 3,564,332
Expenditures			
General government	24,379,477	24,278,626	100,851
Culture and recreation	7,693,323	6,935,522	757,801
Other program areas	1,275,959	1,065,875	210,084
Debt service	34,200	139,042	(104,842)
Total expenditures	33,382,959	32,419,065	963,894
Excess of revenues over expenditures	9,795,013	14,323,239	4,528,226
Other financing uses	(9,796,926)	(9,750,577)	46,349
Operating surplus (deficit)	\$ (1,913)	\$ 4,572,662	\$ 4,574,575

The General Fund's actual revenues were approximately 8.3% above budgeted revenues. Significant budget fluctuations include departmental income, state aid, interfund revenues, miscellaneous and fines and forfeitures, which were approximately \$3.6 million greater than budgeted. General Fund actual expenditures were approximately 3% 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 2020, the Town had no material capital projects in process. The primary government's investment in capital assets (net of accumulated depreciation) is approximately \$185.2 million at December 31, 2020.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Capital assets						
Land	\$ 40,333,786	\$ 40,333,786	\$ 8,338,047	\$ 8,338,047	\$ 48,671,833	\$ 48,671,833
Land improvements	18,589,006	20,570,009	3,247,739	4,447,042	21,836,745	25,017,051
Buildings and improvements	46,276,749	47,042,519	21,489,684	21,489,684	67,766,433	68,532,203
Machinery and equipment	3,414,912	4,048,115	1,546,639	1,546,639	4,961,551	5,594,754
Infrastructure	41,959,039	42,895,262	-	-	41,959,039	42,895,262
Total capital assets, net	\$ 150,573,492	\$ 154,889,691	\$ 34,622,109	\$ 35,821,412	\$ 185,195,601	\$ 190,711,103

Town of Ramapo, New York

Management's Discussion and Analysis December 31, 2020

Capital Assets and Debt Administration - Continued

The following tables summarizes the Town's long-term debt obligations as of December 31, 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Long-term debt						
Bonds payable	\$ 76,865,000	\$ 86,250,000	\$ 21,170,000	\$ 21,775,000	\$ 98,035,000	\$ 108,025,000
Plus unamortized premium	138,122	158,652	1,805,821	1,891,812	1,943,943	2,050,464
Less unamortized discount	(31,141)	(36,556)	-	-	(31,141)	(36,556)
Total long-term debt, net	\$ 76,971,981	\$ 86,372,096	\$ 22,975,821	\$ 23,666,812	\$ 99,947,802	\$ 110,038,908

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, 2020 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.

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, 2019 estimated population of 137,406. For the year ended December 31, 2020, the macroeconomic fundamentals of the Town have been stable. Economic highlights are as follows:

- Median value of owner-occupied housing units in 2019 dollars - \$448,800 (U.S. Census Bureau)
- Median household income in 2019 dollars - \$78,514 (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% 2020 – 3.1% (New York State Department of Labor).
- Stable taxable assessed property valuation of \$1.6 billion (2015-2020).

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, 2020		Total Primary Government
	Governmental Activities	Business-Type Activity	
CURRENT ASSETS			
Cash and cash equivalents	\$ 17,889,090	\$ 155,696	\$ 18,044,786
Cash and cash equivalents, restricted	5,416,989	-	5,416,989
Receivables			
Accounts, net	2,408,067	52,000	2,460,067
Due from other governments	3,240,913	-	3,240,913
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	<u>29,171,659</u>	<u>2,248,281</u>	<u>31,419,940</u>
NONCURRENT ASSETS			
Capital assets			
Non-depreciable	40,333,786	8,338,047	48,671,833
Depreciable, net	110,239,706	26,284,062	136,523,768
Total assets	<u>179,745,151</u>	<u>36,870,390</u>	<u>216,615,541</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>87,636,581</u>	<u>581,505</u>	<u>88,218,086</u>
Total assets and deferred outflows of resources	<u>267,381,732</u>	<u>37,451,895</u>	<u>304,833,627</u>
LIABILITIES			
Accounts payable and accrued expenses	12,730,116	6,350	12,736,466
Other liabilities	1,812,178	-	1,812,178
Bond anticipation note payable	1,200,000	-	1,200,000
Unearned revenues	98,491	-	98,491
Deposits under sales contract	-	1,162,681	1,162,681
Accrued interest payable	640,797	297,512	938,309
Non-current liabilities			
Due within one year	14,616,872	710,991	15,327,863
Due in more than one year			
Bonds payable	67,226,866	22,264,830	89,491,696
Compensated absences	4,067,629	-	4,067,629
Claims and judgments payable	12,454,536	-	12,454,536
Landfill closure costs	797,734	-	797,734
Net pension liability	37,681,078	-	37,681,078
Retirement incentives and other pension obligations payable	11,583,146	-	11,583,146
Other postemployment benefits liability	251,377,773	-	251,377,773
Total liabilities	<u>416,287,216</u>	<u>24,442,364</u>	<u>440,729,580</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>18,477,016</u>	<u>-</u>	<u>18,477,016</u>
Total liabilities and deferred inflows of resources	<u>434,764,232</u>	<u>24,442,364</u>	<u>459,206,596</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	77,798,260	12,227,793	90,026,053
Restricted for			
Law enforcement	1,914	-	1,914
Debt service	17,616	-	17,616
Unrestricted (deficit)	<u>(245,200,290)</u>	<u>781,738</u>	<u>(244,418,552)</u>
Total net position (deficit)	<u>\$ (167,382,500)</u>	<u>\$ 13,009,531</u>	<u>\$ (154,372,969)</u>

See accompanying Notes to Financial Statements.

Town of Ramapo, New York

Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2020

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
Primary Government							
Governmental Activities							
General governmental support	\$ 25,037,231	\$ 6,375,211	\$ -	\$ -	\$ (18,662,020)	\$ -	\$ (18,662,020)
Public safety	49,512,522	64,120	104,619	-	(49,343,783)	-	(49,343,783)
Health	11,182,362	4,199,056	-	-	(6,983,306)	-	(6,983,306)
Transportation	11,791,158	4,233,981	-	274,237	(7,282,940)	-	(7,282,940)
Economic opportunity and development	468,992	-	-	-	(468,992)	-	(468,992)
Culture and recreation	11,502,482	1,072,159	-	-	(10,430,323)	-	(10,430,323)
Home and community services	16,849,530	1,922,530	-	-	(14,927,000)	-	(14,927,000)
Interest on long-term debt	2,898,882	-	-	-	(2,898,882)	-	(2,898,882)
Total Governmental Activities	129,243,159	17,867,057	104,619	274,237	(110,997,246)	-	(110,997,246)
Business-Type Activity	2,824,319	85,618	-	-	-	(2,738,701)	(2,738,701)
Total Primary Government	\$ 132,067,478	\$ 17,952,675	\$ 104,619	\$ 274,237	\$ (110,997,246)	\$ (2,738,701)	\$ (113,735,947)
GENERAL REVENUES							
Real property taxes					84,586,936	-	84,586,936
Other property tax items							
Payment in lieu of taxes					867,988	-	867,988
Interest and penalties on real property taxes					325,569	-	325,569
Non-property taxes							
Franchise fees					129,941	-	129,941
Non-property distribution from Rockland County					2,179,327	-	2,179,327
Use of money and property					699,537	-	699,537
Gain on sale of real property					134,148	-	134,148
Insurance recoveries					1,195,921	-	1,195,921
Other New York State and Rockland County taxes					3,968,521	-	3,968,521
Other revenues					285,729	77	285,806
Total general revenues					94,373,617	77	94,373,694
CONTRIBUTIONS					(2,031,242)	2,031,242	-
CHANGE IN NET POSITION (DEFICIT)					(18,654,871)	(707,382)	(19,362,253)
NET POSITION (DEFICIT), beginning of year					(148,727,629)	13,716,913	(135,010,716)
NET POSITION (DEFICIT), end of year					\$ (167,382,500)	\$ 13,009,531	\$ (154,372,969)

See accompanying Notes to Financial Statements.

Town of Ramapo, New York

Fund Financial Statements Balance Sheet - Governmental Funds

December 31, 2020

	General	Town Outside Villages	Police	Highway	Special Districts	Debt Service	Capital Projects	Eliminations	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 934,578	\$ 1,803,075	\$ 8,140,966	\$ 1,845,769	\$ 3,764,176	\$ -	\$ -	\$ -	\$ 16,488,564
Cash and cash equivalents, restricted	-	-	1,914	-	-	17,360	5,397,715	-	5,416,989
Accounts receivable, net	388,033	249,474	8,597	3,150	1,758,813	-	-	-	2,408,067
Due from other governments	2,935,179	252,724	40,603	12,407	-	-	-	-	3,240,913
Due from other funds	3,190,000	-	-	-	2,790,782	256	-	(5,981,038)	-
Other assets	130,000	-	-	-	-	-	-	-	130,000
Total assets	<u>\$ 7,577,790</u>	<u>\$ 2,305,273</u>	<u>\$ 8,192,080</u>	<u>\$ 1,861,326</u>	<u>\$ 8,313,771</u>	<u>\$ 17,616</u>	<u>\$ 5,397,715</u>	<u>\$ (5,981,038)</u>	<u>\$ 27,684,533</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 736,291	\$ 147,632	\$ 424,466	\$ 515,793	\$ 971,726	\$ -	\$ 710	\$ -	\$ 2,796,618
Accrued liabilities	2,451,700	345,033	6,333,972	635,209	118,357	-	-	-	9,884,271
Due to other governments	28,569	-	-	360,000	375	-	-	-	388,944
Due to other funds	2,790,782	430,000	2,404,000	-	356,000	-	256	(5,981,038)	-
Bond anticipation notes payable	-	-	-	-	-	-	1,200,000	-	1,200,000
Unearned revenues	22,491	-	-	76,000	-	-	-	-	98,491
Deposits payable	770,182	653,052	-	-	-	-	-	-	1,423,234
	<u>6,800,015</u>	<u>1,575,717</u>	<u>9,162,438</u>	<u>1,587,002</u>	<u>1,446,458</u>	<u>-</u>	<u>1,200,966</u>	<u>(5,981,038)</u>	<u>15,791,558</u>
Fund balances									
Restricted	-	-	1,914	-	-	17,616	4,196,749	-	4,216,279
Assigned	13,903	729,556	67,029	-	7,277,934	-	-	-	8,088,422
Unassigned	763,872	-	(1,039,301)	274,324	(410,621)	-	-	-	(411,726)
Total fund balances	<u>777,775</u>	<u>729,556</u>	<u>(970,358)</u>	<u>274,324</u>	<u>6,867,313</u>	<u>17,616</u>	<u>4,196,749</u>	<u>-</u>	<u>11,892,975</u>
Total liabilities and fund balances	<u>\$ 7,577,790</u>	<u>\$ 2,305,273</u>	<u>\$ 8,192,080</u>	<u>\$ 1,861,326</u>	<u>\$ 8,313,771</u>	<u>\$ 17,616</u>	<u>\$ 5,397,715</u>	<u>\$ (5,981,038)</u>	<u>\$ 27,684,533</u>

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

	December 31, 2020
Total fund balances in the fund financial statements for the governmental funds.	\$ 11,892,975
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.	150,573,492
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.	(12,459,615)
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 outflows of resources	50,946,567
Deferred inflows of resources	(17,231,997)
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	36,690,014
Deferred inflows of resources	(1,245,019)
Long-term liabilities that are not due and payable in the current period are not reported in the fund financial statements:	
Accrued interest payable	(640,797)
Bonds payable	(76,971,981)
Compensated absences	(4,519,588)
Landfill closure costs	(957,281)
Retirement incentives and other pension obligations payable	(14,400,419)
Other postemployment benefits liability	(251,377,773)
Net pension liability	(37,681,078)
Net position (deficit) of governmental activities	<u>\$ (167,382,500)</u>

Town of Ramapo, New York

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

Year Ended December 31, 2020

	General	Town Outside Villages	Police	Highway	Special Districts	Debt Service	Capital Projects	Eliminations	Total Governmental Funds
REVENUES									
Real property taxes	\$ 25,042,203	\$ 335,094	\$ 35,890,344	\$ 10,991,347	\$ 12,327,948	\$ -	\$ -	\$ -	\$ 84,586,936
Other property tax items	662,630	-	220,828	-	-	-	-	-	883,458
Non-property tax items	2,179,327	310,099	-	-	-	-	-	-	2,489,426
Departmental income	8,980,763	420,254	21,341	-	4,349,977	-	-	-	13,772,335
Intergovernmental charges	-	39,300	6,300	2,148,341	-	-	-	-	2,193,941
Use of money and property	353,119	146,280	101,798	27,412	36,391	35,135	-	-	700,135
Licenses and permits	2,905	1,311,019	-	47,775	-	-	-	-	1,361,699
Fines and forfeitures	639,009	-	30,014	-	-	-	-	-	669,023
Sale of property and compensation for loss	21,232	94,774	4,677	11,740	-	-	-	-	132,423
Miscellaneous	1,195,921	33,713	159,868	7,215	-	-	86,059	-	1,482,776
State aid	3,994,977	-	32,471	186,559	-	-	87,678	-	4,301,685
Federal aid	-	-	45,692	-	-	-	-	-	45,692
Interfund revenues	3,670,218	-	-	-	-	-	-	(3,670,218)	-
Total revenues	<u>46,742,304</u>	<u>2,690,533</u>	<u>36,513,333</u>	<u>13,420,389</u>	<u>16,714,316</u>	<u>35,135</u>	<u>173,737</u>	<u>(3,670,218)</u>	<u>112,619,529</u>
EXPENDITURES									
General government support	24,278,626	-	-	-	-	1,060	-	(3,670,218)	20,609,468
Public safety	113,351	-	39,872,683	-	519,525	-	-	-	40,505,559
Health	-	-	-	-	9,215,465	-	-	-	9,215,465
Transportation	234,444	-	-	8,335,205	-	-	-	-	8,569,649
Economic opportunity and development	386,500	-	-	-	-	-	-	-	386,500
Culture and recreation	6,935,522	-	-	-	-	-	-	-	6,935,522
Home and community services	331,580	3,891,735	-	-	9,222,831	-	-	-	13,446,146
Debt service, principal	-	-	-	-	-	9,385,000	-	-	9,385,000
Debt service, interest	34,010	-	-	-	-	3,123,380	-	-	3,157,390
Capital outlay	105,032	10,066	158,957	-	-	-	858,938	-	1,132,993
Total expenditures	<u>32,419,065</u>	<u>3,901,801</u>	<u>40,031,640</u>	<u>8,335,205</u>	<u>18,957,821</u>	<u>12,509,440</u>	<u>858,938</u>	<u>(3,670,218)</u>	<u>113,343,692</u>
Excess (deficiency) of revenues over expenditures	<u>14,323,239</u>	<u>(1,211,268)</u>	<u>(3,518,307)</u>	<u>5,085,184</u>	<u>(2,243,505)</u>	<u>(12,474,305)</u>	<u>(685,201)</u>	<u>-</u>	<u>(724,163)</u>
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	-	12,462,106	-	(12,462,106)	-
Operating transfers out	(9,750,577)	(35,629)	(151,101)	(3,847,516)	(306,143)	-	(402,382)	12,462,106	(2,031,242)
Total other financing sources (uses)	<u>(9,750,577)</u>	<u>(35,629)</u>	<u>(151,101)</u>	<u>(3,847,516)</u>	<u>(306,143)</u>	<u>12,462,106</u>	<u>(402,382)</u>	<u>-</u>	<u>(2,031,242)</u>
NET CHANGE IN FUND BALANCES	<u>4,572,662</u>	<u>(1,246,897)</u>	<u>(3,669,408)</u>	<u>1,237,668</u>	<u>(2,549,648)</u>	<u>(12,199)</u>	<u>(1,087,583)</u>	<u>-</u>	<u>(2,755,405)</u>
FUND BALANCES, beginning of year	<u>(3,794,887)</u>	<u>1,976,453</u>	<u>2,699,050</u>	<u>(963,344)</u>	<u>9,416,961</u>	<u>29,815</u>	<u>5,284,332</u>	<u>-</u>	<u>14,648,380</u>
FUND BALANCES, end of year	<u>\$ 777,775</u>	<u>\$ 729,556</u>	<u>\$ (970,358)</u>	<u>\$ 274,324</u>	<u>\$ 6,867,313</u>	<u>\$ 17,616</u>	<u>\$ 4,196,749</u>	<u>\$ -</u>	<u>\$ 11,892,975</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

		Year Ended December 31, 2020
Net change in fund balances shown for total governmental funds		\$ (2,755,405)
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	1,876,135	
Depreciation expense	<u>(6,192,334)</u>	(4,316,199)
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	9,385,000	
Amortization of loss on refunding bonds and issuance premium	<u>15,115</u>	9,400,115
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	(92,835)	
Landfill closure costs	45,862	
Accrued interest payable	243,393	
Net pension liability, net of deferrals	(9,672,573)	
Retirement incentives and other pension obligations payable	2,200,803	
Other postemployment benefits liability, net of deferrals	<u>(15,168,510)</u>	(22,443,860)
The net operating surplus of the internal service funds is reported within governmental activities.		<u>1,460,478</u>
Change in net position (deficit) of governmental activities		<u><u>\$ (18,654,871)</u></u>

Town of Ramapo, New York

Statement of Net Position - Proprietary Funds

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	December 31, 2020	
	Business-Type Activity	Governmental Activities
	Local Development Corporation	Internal Service Fund
CURRENT ASSETS		
Cash and cash equivalents	\$ 155,696	\$ 1,400,526
Accounts receivable	52,000	-
Prepaid expenses	-	86,600
Property under sales contract	2,040,585	-
	2,248,281	1,487,126
NONCURRENT ASSETS		
Capital assets		
Non-depreciable	8,338,047	-
Depreciable, net	26,284,062	-
	34,622,109	-
DEFERRED OUTFLOWS OF RESOURCES	581,505	-
	37,451,895	1,487,126
LIABILITIES AND NET POSITION (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	6,350	49,227
Interest payable	297,512	-
Deposits under sales contract	1,162,681	-
Bonds payable, current	710,991	-
Claims payable, current	-	992,509
Judgments payable, current	-	450,469
	2,177,534	1,492,205
NONCURRENT LIABILITIES		
Bonds payable, net of current portion	22,264,830	-
Claims payable, net of current portion	-	9,442,805
Judgments payable, net of current portion	-	3,011,731
	24,442,364	13,946,741
NET POSITION (DEFICIT)		
Net investment in capital assets	12,227,793	-
Unrestricted (deficit)	781,738	(12,459,615)
	12,227,793	(12,459,615)
Total net position (deficit)	\$ 13,009,531	\$ (12,459,615)

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, 2020	
	Business-Type Activity	Governmental Activities
	Local Development Corporation	Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 50,000	\$ 1,692,000
Insurance recoveries	35,618	470,005
Total operating revenues	85,618	2,162,005
OPERATING EXPENSES		
General and administrative	155,404	183,059
Salaries and employee benefits	97,876	-
Professional fees	26,292	-
Utilities	221,894	-
Repairs and maintenance	122,081	-
Real estate taxes	36,216	-
Depreciation	1,199,303	-
Claims	-	526,778
Total operating expenses	1,859,066	709,837
Operating income (loss)	(1,773,448)	1,452,168
NONOPERATING REVENUES (EXPENSES)		
Interest income	77	8,310
Interest expense	(965,253)	-
Total nonoperating revenues (expenses)	(965,176)	8,310
OTHER FINANCING SOURCES		
Contribution from the Town of Ramapo	2,031,242	-
CHANGES IN NET POSITION (DEFICIT)	(707,382)	1,460,478
NET POSITION (DEFICIT), <i>beginning of year</i>	13,716,913	(13,920,093)
NET POSITION (DEFICIT), <i>end of year</i>	\$ 13,009,531	\$ (12,459,615)

Town of Ramapo, New York

Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2020	
	Business-Type Activity	Governmental Activities
	Local Development Corporation	Internal Service Fund
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from providing services and insurance recoveries	\$ 85,618	2,235,596
Cash paid for contractual expenses	(431,901)	(1,580,962)
Cash paid for personal services and employee benefits	(97,876)	-
	(444,159)	654,634
CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		
Contribution from the Town of Ramapo	2,031,242	-
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond repayments	(605,000)	
Interest payments	(1,028,875)	-
	(1,633,875)	-
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income received	77	8,310
Net increase (decrease) in cash and cash equivalents	(46,715)	662,944
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	202,411	737,582
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 155,696	\$ 1,400,526
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,773,448)	\$ 1,452,168
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,199,303	-
Changes in operating assets and liabilities		
Accounts receivable	142,903	-
Due from general fund	-	73,591
Due to general fund	(15,000)	-
Accounts payable and accrued expenses	2,083	16,222
Claims and judgments payable	-	(887,347)
	\$ (444,159)	\$ 654,634

See accompanying Notes to Financial Statements.

Town of Ramapo, New York

Statement of Fiduciary Net Position - Custodial Fund

	December 31, 2020
	Custodial Fund
ASSETS	
Cash and cash equivalents	\$ 593,122
NET POSITION	
Restricted	
Metro North	5,100
Other governments	46,853
Employee deposits	115,000
Building and zoning escrows	418,682
State bail	7,487
	\$ 593,122

Town of Ramapo, New York

Statement of Changes in Fiduciary Net Position - Custodial Fund

	Year Ended December 31, 2020
	Custodial Fund
ADDITIONS	
Building and zoning escrows	\$ 131,413
Retirement	69,315
State bail	1,297
Metro North payment	5,100
Property tax collections - fire districts	6,825,714
PILOT collections - other governments	3,198,495
Total additions	<u>10,231,334</u>
DEDUCTIONS	
Building and zoning escrows	116,710
State bail	6,627
Property tax collections - fire districts	6,825,701
PILOT collections - other governments	3,198,495
Total deductions	<u>10,147,533</u>
CHANGE IN FIDUCIARY NET POSITION	83,801
FIDUCIARY NET POSITION, <i>beginning of year</i>	<u>509,321</u>
FIDUCIARY NET POSITION, <i>end of year</i>	<u><u>\$ 593,122</u></u>

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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, 2020

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 (when applicable, 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, 2020 are as follows:

Operating costs	\$ 397,365
Debt service costs	<u>1,633,877</u>
	<u>\$ 2,031,242</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 (when applicable, see Note 3a). 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 \$5,862,013 as of December 31, 2020. 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, 2020

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, 2020

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

c. Fund Financial Statements - Continued

Governmental Funds - 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.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

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.

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, 2020.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

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.

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, 2020.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, police, highway and special districts taxes, which are due January 1st and payable without penalty to January 31st. The Town retains the total amount of town, police, highway and special districts taxes from the total collection and returns the balance 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 \$430,815 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).

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

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.

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 \$5,000. 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 2020.

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, 2020.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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 \$581,505 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, 2020

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.

Deferred outflows of resources and deferred inflows of resources at December 31, 2020 in the governmental activities in the government-wide financial statements are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net pension liability	\$ 36,690,014	\$ 1,245,019
Other postemployment benefits liability	<u>50,946,567</u>	<u>17,231,997</u>
	<u>\$ 87,636,581</u>	<u>\$ 18,477,016</u>

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, 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.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

Compensated Absences - Continued

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 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 \$957,281 at December 31, 2020 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.

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.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

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.
- *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.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

- *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.

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. Subsequent Events

The Town has evaluated subsequent events for potential recognition or disclosure through June 29, 2021, the date the financial statements were available to be issued.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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 5th.
- 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 20th.
- 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 31st and are recognized as revenue January 1st 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, 2020

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 31st without penalty. If payment is made after January 31st, there is a 1% penalty through February 28th. If payment is made after February 28th, there is a 2% penalty through March 31st. After March 31st, 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, 2020:

Fund	Deficit Amount
Governmental Funds	
Police Fund	\$ 970,358
Proprietary Funds	
Workers' Compensation Internal Service Fund	9,058,898
General Liability Internal Service Fund	3,400,717
	\$ 12,459,615

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 fund's deficit, which includes budgetary measures, realignment of property tax rates and disposition of property determined to be surplus.

Note 3 - Interfund Balances

a. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2020 were as follows:

Due from Other Funds	Due to Other Funds					Total
	General	Town Outside Village	Police	Special Districts	Capital Projects	
General	\$ -	\$ 600,000	\$ 2,300,000	\$ 290,000	\$ -	\$ 3,190,000
Town Outside Villages	-	-	104,000	66,000	-	170,000
Special Districts	2,790,782	-	-	-	-	2,790,782
Debt Service	-	-	-	-	256	256
Total	\$ 2,790,782	\$ 600,000	\$ 2,404,000	\$ 356,000	\$ 256	\$ 6,151,038

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 3 - Interfund Balances - Continued

a. Due From/To Other Funds - Continued

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.

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, 2020 are as follows:

Transfers from Other Funds	Transfers to Other Funds						Total
	General	Town Outside Village	Police	Highway	Special Districts	Capital Projects	
Debt Service	\$ 7,719,335	\$ 35,629	\$ 151,101	\$ 3,847,516	\$ 306,143	\$ 402,382	12,462,106
Corporation	<u>2,031,242</u>	-	-	-	-	-	2,031,242
Total	<u>\$ 9,750,577</u>	<u>\$ 35,629</u>	<u>\$ 151,101</u>	<u>\$ 3,847,516</u>	<u>\$ 306,143</u>	<u>\$ 402,382</u>	<u>\$ 14,493,348</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.

c. Interfund Revenues

The Town's General Fund charges certain governmental funds for direct costs incurred, including motor vehicle repairs and maintenance and gasoline, which approximated \$500,000. 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. During 2020, the General Fund charged the Town Outside Village, Police Fund and Special Districts approximately \$3.2 million, or 69% of total allocable expenditures. The 2020 chargeback varied from 2019, whereby 100% of allocable expenditures were billed by the General Fund.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2020 is as follows:

	Governmental Activities			Balance, December 31, 2020
	Balance, January 1, 2020	Additions	Retirements and Transfers	
Capital assets not being depreciated				
Land	\$ 40,333,786	\$ -	\$ -	\$ 40,333,786
Capital assets being depreciated				
Land improvements	42,117,632	19,900	-	42,137,532
Buildings and improvements	71,361,979	702,188	-	72,064,167
Machinery and equipment	17,671,410	148,313	-	17,819,723
Infrastructure	69,166,673	1,005,734	-	70,172,407
Total capital assets being depreciated	<u>200,317,694</u>	<u>1,876,135</u>	<u>-</u>	<u>202,193,829</u>
Less accumulated depreciation for				
Land improvements	(21,547,623)	(2,000,903)	-	(23,548,526)
Buildings and improvements	(24,319,460)	(1,467,958)	-	(25,787,418)
Machinery and equipment	(13,623,295)	(781,516)	-	(14,404,811)
Infrastructure	(26,271,411)	(1,941,957)	-	(28,213,368)
Total accumulated depreciation	<u>(85,761,789)</u>	<u>(6,192,334)</u>	<u>-</u>	<u>(91,954,123)</u>
Total capital assets being depreciated, net	<u>114,555,905</u>	<u>(4,316,199)</u>	<u>-</u>	<u>110,239,706</u>
Total capital assets, net	<u>\$ 154,889,691</u>	<u>\$ (4,316,199)</u>	<u>\$ -</u>	<u>\$ 150,573,492</u>
	Business-Type Activities			
	Balance, January 1, 2020	Additions	Retirements	Balance, December 31, 2020
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	(1,227,840)	(141,872)	-	(1,369,712)
Buildings	(5,347,522)	(623,450)	-	(5,970,972)
Machinery and equipment	(2,733,161)	(433,981)	-	(3,167,142)
Total accumulated depreciation	<u>(9,308,523)</u>	<u>(1,199,303)</u>	<u>-</u>	<u>(10,507,826)</u>
Total capital assets being depreciated, net	<u>27,483,365</u>	<u>(1,199,303)</u>	<u>-</u>	<u>26,284,062</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>\$ 35,821,412</u>	<u>\$ (1,199,303)</u>	<u>\$ -</u>	<u>\$ 34,622,109</u>

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 4 - Capital Assets

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	\$ 366,410
Public safety	374,324
Transportation	1,774,639
Culture and recreation	3,086,681
Home and community services	590,280
Total depreciation expense	\$ 6,192,334

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, 2020 are as follows:

Purpose	General	Town Outside Villages	Police	Highway	Special Districts	Total
Payroll and employee benefits	\$ 2,451,700	\$ 345,033	\$ 6,333,972	\$ 635,209	\$ 118,357	\$ 9,884,271

Notes 6 - Bond Anticipation Notes Payable

The Town's bond anticipation note payable (BAN) is accounted for in the Capital Projects Fund. Principal payments on the BAN must be made annually. A BAN 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 BAN was as follows:

Purpose	Issue Date	Interest Rate	Original Issue Amount	Balance January 1, 2020	Issued	Redemptions	Balance December 31, 2020
<i>Capital Projects Fund</i> 4th St. Bridge Project	September 2019	2.32%	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 7 - Long-Term Liabilities

Interest expenditure on the modified accrual basis was \$34,010 for the year ended December 31, 2020 and was recorded in the General Fund. Interest expense on the accrual basis was \$32,508 and recorded to the government-wide financial statements.

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

	Balance January 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2020	Due Within One Year
Long-term debt					
Bonds payable	\$ 86,250,000	\$ -	\$ 9,385,000	\$ 76,865,000	\$ 9,730,000
Plus unamortized premium on bonds	158,652	-	20,530	138,122	20,530
Less unamortized discount on bonds	(36,556)	-	(5,415)	(31,141)	(5,415)
	<u>86,372,096</u>	<u>-</u>	<u>9,400,115</u>	<u>76,971,981</u>	<u>9,745,115</u>
Other noncurrent liabilities					
Compensated absences	4,426,753	535,510	442,675	4,519,588	451,959
Claims and judgments payable	14,784,861	349,244	1,236,591	13,897,514	1,442,978
Landfill closure costs	1,003,143	-	45,862	957,281	159,547
Net pension liability	11,350,391	36,570,117	10,239,430	37,681,078	-
Retirement incentives and other pension obligations payable	16,601,222	445,432	2,646,235	14,400,419	2,817,273
Other postemployment benefits liability	<u>189,879,707</u>	<u>76,407,171</u>	<u>14,909,105</u>	<u>251,377,773</u>	<u>-</u>
Total other noncurrent liabilities	<u>238,046,077</u>	<u>114,307,474</u>	<u>29,519,898</u>	<u>322,833,653</u>	<u>4,871,757</u>
Total governmental activities	<u>\$ 324,418,173</u>	<u>\$ 114,307,474</u>	<u>\$ 38,920,013</u>	<u>\$ 399,805,634</u>	<u>\$ 14,616,872</u>

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

	Balance January 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2020	Due Within One Year
Bonds payable	\$ 21,775,000	\$ -	\$ 605,000	\$ 21,170,000	\$ 625,000
Plus unamortized premium on bonds	<u>1,891,812</u>	<u>-</u>	<u>85,991</u>	<u>1,805,821</u>	<u>85,991</u>
	<u>\$ 23,666,812</u>	<u>\$ -</u>	<u>\$ 690,991</u>	<u>\$ 22,975,821</u>	<u>\$ 710,991</u>

Each governmental fund's liability for compensated absences, claims and judgments payable, landfill closure costs, net pension liability, 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, 2020

Note 7 - Long-Term Liabilities - Continued

a. Bonds Payable

The Town's bonds payable at December 31, 2020 are comprised of the following individual issues:

Purpose	Issue Year	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2020
Serial Bonds:					
Public Improvements (Series A)	2006	\$ 12,050,000	3.750 - 4.000%	August 2021	\$ 1,040,000
Public Improvements (Series B)	2006	10,000,000	4.375 - 4.500%	May 2036	7,080,000
Public Improvements (Series A-1)	2008	8,050,000	4.000 - 4.500%	September 2030	2,590,000
Public Improvements (Series A-2)	2008	11,935,000	4.000 - 4.500%	September 2030	8,930,000
Public Improvements (Series B)	2008	15,000,000	4.500 - 5.625%	September 2023	4,015,000
Public Improvements (Series A)	2010	12,000,000	2.000 - 3.000%	September 2022	2,255,000
Public Improvements (Series A)	2012	19,330,000	2.000 - 3.000%	November 2025	14,035,000
Public Improvements (Series A)	2013	1,000,000	2.000 - 3.500%	March 2028	580,000
Refunding Bonds	2013	11,245,000	2.000 - 5.000%	March 2034	4,365,000
Public Improvements (Series A)	2014	2,495,000	4.00%	May 2024	1,120,000
Public Improvements (Series B)	2015	33,345,000	3.000 - 4.125%	May 2028	22,550,000
Public Improvements (Series B)	2015	5,000,000	3.000 - 5.000%	May 2026	2,960,000
Refunding Bonds	2015	8,440,000	2.000 - 3.750%	May 2026	4,925,000
New York Environmental Facilities Corporation Bonds:					
Public Improvements Refunding Bonds	2015	230,000	3.529 - 4.129%	October 2034	80,000
Torne Valley Refunding Bonds	2015	440,000	3.808 - 4.569%	May 2034	340,000
					<u>\$ 76,865,000</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 \$15.2 million remain outstanding as of December 31, 2020.

Interest expenditure on the Town's bonds payable was \$3,123,380 for the year ended December 31, 2020 and was recorded in the Debt Service Fund. Interest expense was \$2,866,374 for the year ended December 31, 2020 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,			
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	6,965,000	1,556,684	8,521,684
2026 through 2030	25,880,000	4,164,016	30,044,016
2031 through 2035	9,500,000	1,040,617	10,540,617
2036	610,000	13,725	623,725
	<u>\$ 76,865,000</u>	<u>\$ 15,938,303</u>	<u>\$ 92,803,303</u>

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 7 - Long-Term Liabilities - Continued

a. Bonds Payable - Continued

The Corporation's bonds payable at December 31, 2020 is comprised of the following issuance:

Purpose	Issue Year	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2020
Baseball Stadium - Refunding Bonds	2013	\$ 25,000,000	2.00% - 5.00%	March 2041	\$ 21,170,000

Interest expense on Corporation bonds payable was \$965,253 for the year ended December 31, 2020.

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

	Principal	Interest	Total
For the year ending December 31,			
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	944,625	1,629,625
2025	720,000	909,500	1,629,500
2026 through 2030	4,165,000	3,857,125	8,022,125
2031 through 2035	5,315,000	2,778,125	8,093,125
2036 through 2040	6,785,000	1,271,875	8,056,875
2041	1,565,000	39,125	1,604,125
	<u>\$ 21,170,000</u>	<u>\$ 12,773,900</u>	<u>\$ 33,943,900</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, 2020

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, 2020		
	Workers' Compensation Benefits	General Liability Claims	Total
Balance, January 1, 2020	\$ 11,288,361	\$ 3,496,500	\$ 14,784,861
Provision for claims and claims adjustment expenses	349,244	-	349,244
Less claims and claims adjustment expenses paid	<u>(1,202,291)</u>	<u>(34,300)</u>	<u>(1,236,591)</u>
Balance, December 31, 2020	<u>\$ 10,435,314</u>	<u>\$ 3,462,200</u>	<u>\$ 13,897,514</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, 2020

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, 2020 was approximately 14.6% 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>
2020	\$ 3,573,440	\$ 6,665,990
2019	3,521,907	6,655,373
2018	3,620,226	6,563,826

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

At December 31, 2020, the Town reported a liability of \$37,681,078 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, 2020, 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, 2020, the Town's proportion was 0.068186% in the Employee Retirement System and 0.4036709% in the Police and Fire Retirement System.

For the year ended December 31, 2020, the Town recognized pension expense of \$16,809,447.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 8 - Pension Plans - Continued

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

At December 31, 2020, 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	\$ 947,851	\$ -	\$ 1,433,731	\$ 361,395
Changes of assumptions	324,281	280,011	1,844,222	-
Net differences between projected and actual investment earnings on pension plan investments	8,256,267	-	9,716,332	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	848,752	301,761	4,748,105	301,852
Contributions subsequent to the measurement date	2,899,589	-	5,670,884	-
Total	<u>\$ 13,276,740</u>	<u>\$ 581,772</u>	<u>\$ 23,413,274</u>	<u>\$ 663,247</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. 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,			
2021	\$ 1,776,554	\$ 5,791,828	\$ 7,568,382
2022	2,500,586	3,552,379	6,052,965
2023	3,072,567	4,137,549	7,210,116
2024	2,445,672	3,322,884	5,768,556
2025	-	274,503	274,503
Total	<u>\$ 9,795,379</u>	<u>\$ 17,079,143</u>	<u>\$ 26,874,522</u>

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 8 - Pension Plans - Continued

d. Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. 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	6.8 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-2018

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, 2020 are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-indexed bonds	4.00%	0.50%
	<u>100.00%</u>	

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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 6.8%, and the impact on the net pension liability of using a discount rate that is 1.0% higher or lower than the current rate:

ERS		
1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
\$ 29,557,442	\$ 16,105,120	\$ 3,715,474
PFRS		
1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
\$ 38,578,252	\$ 21,575,958	\$ 6,350,018

f. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2020 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 194,596,261	\$ 35,309,017	\$ 229,905,278
Plan net position	(168,115,682)	(29,964,080)	(198,079,762)
Employers' net pension liability	\$ 26,480,579	\$ 5,344,937	\$ 31,825,516
Ratio of plan net position to the employers' total pension liability	86.4%	84.9%	86.2%

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 8 - Pension Plans - Continued

g. Retirement Incentives and Other Pension Obligations

For the years ended December 31, 2011 - 2020, 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:

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 8 - Pension Plans - Continued

g. Retirement Incentives and Other Pension Obligations - Continued

	Balance January 1, 2020	Current Year Deferral	Current Year Amortization	Balance December 31, 2020	Due Within One Year
Deferred retirement bill					
2020/21 ERS invoice	\$ -	\$ 79,000	\$ -	79,000	\$ 6,010
2019/20 ERS invoice	65,535	-	4,652	60,883	4,786
2018/19 ERS invoice	133,825	-	9,928	123,897	10,325
2017/18 ERS invoice	301,824	-	25,955	275,869	26,814
2016/17 ERS invoice	364,884	-	36,462	328,422	37,421
2015/16 ERS invoice	890,175	-	99,010	791,165	102,287
2014/15 ERS invoice	962,641	-	123,742	838,899	128,073
2013/14 ERS invoice	987,322	-	149,751	837,571	155,381
2012/13 ERS invoice	461,730	-	149,384	312,346	153,865
2011/12 ERS invoice	189,356	-	92,935	96,421	96,421
Total ERS retirement bill	<u>4,357,292</u>	<u>79,000</u>	<u>691,819</u>	<u>3,744,473</u>	<u>721,383</u>
2020/21 PFRS invoice	-	366,432	-	366,432	27,874
2019/20 PFRS invoice	321,053	-	22,790	298,263	23,444
2018/19 PFRS invoice	383,042	-	28,417	354,625	22,550
2017/18 PFRS invoice	615,841	-	52,958	562,883	54,711
2016/17 PFRS invoice	405,201	-	40,491	364,710	41,556
2015/16 PFRS invoice	594,314	-	66,103	528,211	68,290
2014/15 PFRS invoice	943,943	-	121,339	822,604	125,586
2013/14 PFRS invoice	771,607	-	117,033	654,574	121,433
2012/13 PFRS invoice	416,106	-	134,623	281,483	138,662
2011/12 PFRS invoice	91,052	-	44,689	46,363	46,363
Total PFRS retirement bill	<u>4,542,159</u>	<u>366,432</u>	<u>628,443</u>	<u>4,280,148</u>	<u>670,469</u>
Total retirement bill	8,899,451	445,432	1,320,262	8,024,621	1,391,852
Past service cost liability 2018 PFRS	<u>7,701,771</u>	-	<u>1,325,973</u>	<u>6,375,798</u>	<u>1,425,421</u>
Total retirement incentives and other pension obligations	<u>\$ 16,601,222</u>	<u>\$ 445,432</u>	<u>\$ 2,646,235</u>	<u>\$ 14,400,419</u>	<u>\$ 2,817,273</u>

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

	Principal	Interest	Total
For the year ending December 31,			
2021	\$ 2,817,273	\$ 741,803	\$ 3,559,076
2022	2,829,825	588,113	3,417,938
2023	2,677,223	430,370	3,107,593
2024	2,835,716	271,881	3,107,597
2025	1,101,077	102,912	1,203,989
2026 through 2030	2,013,722	147,929	2,161,651
2031 through 2033	125,583	3,053	128,636
	<u>\$ 14,400,419</u>	<u>\$ 2,286,061</u>	<u>\$ 16,686,480</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.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 9 - Other Postemployment Benefits (OPEB) - Continued

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, 2020 actuarial valuation date, is as follows:

	Active	Retirees	Total
Male	226	190	416
Female	71	69	140
Total	297	259	556

At December 31, 2020, the Town reported a liability of \$251,377,773 for its OPEB liability in the governmental activities. The OPEB liability was measured as of January 1, 2020 by an actuarial valuation using census data information as of that date. For the year ended December 31, 2020, the Town recognized OPEB expense of \$21,109,676 in the governmental activities. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 50,726,780	\$ 9,509,132
Experience adjustment	219,787	7,722,865
	\$ 50,946,567	\$ 17,231,997

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,	
2021	\$ 6,422,558
2022	5,726,183
2023	6,277,382
2024	6,789,601
2025	5,199,607
Thereafter	3,299,239
Total	\$ 33,714,570

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 9 - Other Postemployment Benefits (OPEB) - Continued

The total OPEB liability at December 31, 2020 was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Actuarial Cost Method
Discount rate	2.12%, based on the Bond Buyer's 20 Year Bond Index
Mortality	Society of Actuaries' Scale MP-2019
Retirement, disability and termination	"Development of Recommended Actuarial Assumptions" for New York/SUNY GASB 45 Valuation prepared by the AON Hewitt dated June 2019

Disability rate	<u>Age</u>	<u>Rate</u>	
	15-25	0.100%	
	30	0.112%	
	35	0.266%	
	40	0.462%	
	45	0.713%	
	50	0.854%	
	55	0.881%	
	60	0.942%	
	65	1.035%	
70+	0.000%		
Health care cost trend rates	<u>Year</u>	<u>Pre-65 Rate</u>	<u>Post-65 Rates</u>
	2020	7.5%	5.0%
	2021	7.0%	5.0%
	2022	6.5%	5.0%
	2023	6.0%	5.0%
	2024	5.5%	5.0%
	2025 and thereafter	5.0%	5.0%
Participation rate	100% assumed participation rate		
Participant salary increases	3.50% annually		
Payroll growth rate	2.50% annually		

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.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 9 - Other Postemployment Benefits (OPEB) - Continued

Changes in the OPEB liability are as follows:

January 1, 2020	\$ 189,879,707
Changes for the year	
Service cost	8,747,472
Change of assumptions	61,508,075
Difference between expected and actual experience	(8,967,939)
Interest	6,151,624
Benefit payments	<u>(5,941,166)</u>
Net changes	<u>61,498,066</u>
December 31, 2020	<u><u>\$ 251,377,773</u></u>

The following presents the OPEB liability of the Plan as of December 31, 2020 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
\$ 209,131,523	\$ 251,377,773	\$ 306,389,343

The following presents the OPEB liability of the Plan as of December 31, 2020 calculated using the current discount rate of 2.12%, 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	Current Discount	1% Increase
1.12%	2.12%	3.12%
\$ 288,267,528	\$ 251,377,773	\$ 210,014,756

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 10 - Fund Balance

A summary of the Town's governmental fund balance as of December 31, 2020 is as follows:

	General	Town Outside Villages	Police	Highway	Special Districts	Debt Service	Capital Projects	Total
Restricted								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,616	\$ -	\$ 17,616
Capital projects	-	-	-	-	-	-	4,196,749	4,196,749
Law enforcement	-	-	1,914	-	-	-	-	1,914
Total restricted	-	-	1,914	-	-	17,616	4,196,749	4,216,279
Assigned								
Encumbrances								
General government	13,903	-	-	-	-	-	-	13,903
Public safety	-	-	67,029	-	-	-	-	67,029
Home and community service	-	729,556	-	-	91,513	-	-	821,069
Specific use								
Consolidated water district	-	-	-	-	1,026,421	-	-	1,026,421
Consolidated ambulance district	-	-	-	-	1,280,038	-	-	1,280,038
Consolidated sewer district	-	-	-	-	2,587,819	-	-	2,587,819
Street lighting district	-	-	-	-	2,128,147	-	-	2,128,147
Combined fire district	-	-	-	-	163,996	-	-	163,996
Total assigned	13,903	729,556	67,029	-	7,277,934	-	-	8,088,422
Unassigned								
Fund balance (deficit)	763,872	-	(1,039,301)	274,324	(410,621)	-	-	(411,726)
Total fund balances	\$ 777,775	\$ 729,556	\$ (970,358)	\$ 274,324	\$ 6,867,313	\$ 17,616	\$ 4,196,749	\$ 11,892,975

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 (Project). The Town has no obligation for services or to provide funds in an amount over \$400,000. During the year ended December 31, 2020, the Town paid \$40,000 toward the project. A corresponding accrued liability in the amount of \$360,000 has been recorded at December 31, 2020.

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 paid the former employee \$450,469 in January 2021. The Town is scheduled to make the following additional settlement payments: \$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, 2020.

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 \$721,700 at December 31, 2020 and is recorded in the General Liability Internal Service Fund.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 11 - Commitments and Contingencies - Continued

a. Litigation and Contingencies - Continued

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, 2020 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	\$ 21,257	\$ 102,355
244 North Main Street	594,000	18.1468	10,779	8,706	2,073
Youngblood Housing	423,000	18.1468	7,676	1,410	6,266
Snedden Place	2,050,000	18.1468	37,201	12,643	24,558
Spring Valley Site IV	2,000,000	18.1468	36,294	3,530	32,764
Esther Dashew - FLG Companies	1,118,700	18.1468	20,301	6,395	13,906
Empire Executive Inn	1,057,000	45.6327	48,234	30,584	17,650
Stef Two Realty	2,298,000	45.6327	104,864	88,554	16,310
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	27,584	68,245
Fountainview	4,480,515	45.6327	204,458	83,014	121,444
Montebello Commons	2,300,000	45.6327	104,955	1,924	103,031
Schoolhouse Road Estates	1,022,635	45.6327	46,666	45,014	1,652
Spook Rock United Elderly I, II & III	2,500,000	45.6327	114,082	9,381	104,701
Jawonio	450,000	45.6327	20,535	1,742	18,793
Orange Avenue Apartments	2,316,800	45.6327	105,722	4,627	101,095
Oakwood Housing	456,000	45.6327	20,809	2,362	18,447
	<u>\$ 42,053,870</u>		<u>\$ 1,561,786</u>	<u>\$ 564,962</u>	<u>\$ 996,824</u>

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).

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

Note 11 - Commitments and Contingencies - Continued

d. Corporation Commitments - Continued

- \$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, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

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, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

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, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

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 the statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

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, 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.

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

Town of Ramapo, New York

Notes to Financial Statements December 31, 2020

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

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.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Service Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability relating to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigation costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board would typically perform. The requirements of this statement that: (1) exempt primary governments that perform duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans; and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

	2020	2019	2018
Beginning of year	\$ 189,879,707	\$ 181,339,939	\$ 190,854,135
Changes for the year			
Service cost	8,747,472	6,435,095	7,470,606
Difference between expected and actual experience	(8,967,939)	-	-
Interest	6,151,624	7,587,505	6,739,309
Changes in assumptions and other inputs	61,508,075	-	(18,853,752)
Benefit payments	(5,941,166)	(5,482,832)	(4,870,359)
Net changes	61,498,066	8,539,768	(9,514,196)
End of year	\$ 251,377,773	\$ 189,879,707	\$ 181,339,939
Covered payroll	\$ 35,234,369	\$ 34,374,994	\$ 33,536,580
OPEB liability as a percentage of covered payroll	713.44%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
New York State and Local Employees' Retirement System							
Town's proportion of the net pension liability	0.068186%	0.0631953%	0.0676026%	0.0676387%	0.0724094%	0.0714912%	0.0714912%
Town's proportionate share of the net pension liability	\$ 16,105,120	\$ 4,477,577	\$ 2,181,836	\$ 6,355,486	\$ 11,621,912	\$ 2,415,148	\$ 3,230,588
Town's covered-employee payroll	\$ 18,461,670	\$ 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	87.24%	24.32%	11.30%	31.99%	59.80%	12.89%	17.68%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.15%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
New York State and Local Police and Fire Retirement System							
Town's proportion of the net pension liability	0.4036709%	0.4098125%	0.4467120%	0.4412901%	0.4504787%	0.4253619%	0.4253619%
Town's proportionate share of the net pension liability	\$ 21,575,958	\$ 6,872,814	\$ 4,515,173	\$ 9,146,409	\$ 13,337,715	\$ 1,170,849	\$ 1,770,822
Town's covered-employee payroll	\$ 17,306,188	\$ 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	124.67%	38.77%	25.12%	45.27%	73.98%	6.58%	10.45%
Plan fiduciary net position as a percentage of the total pension liability	84.86%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
New York State and Local Employees' Retirement System							
Contractually required contribution	\$ 3,573,440	\$ 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	\$ 3,573,440	\$ 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	\$ 18,461,670	\$ 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	19.36%	19.13%	18.74%	17.84%	16.69%	18.85%	17.75%
New York State and Local Police and Fire Retirement System							
Contractually required contribution	\$ 6,665,990	\$ 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	\$ 6,665,990	\$ 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	\$ 17,306,188	\$ 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	38.52%	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, 2020			
	2020 Adopted Budget	2020 Modified Budget	2020 Actual	Variance With Actual vs. Modified Positive (Negative)
REVENUES				
Real property taxes	\$ 24,978,049	\$ 24,978,049	\$ 25,042,203	\$ 64,154
Other property tax items	600,000	600,000	662,630	62,630
Non-property tax items	2,300,000	2,300,000	2,179,327	(120,673)
Departmental income	6,628,500	6,628,500	8,980,763	2,352,263
Use of money and property	368,000	368,000	353,119	(14,881)
Licenses and permits	7,500	7,500	2,905	(4,595)
Fines and forfeitures	1,100,000	1,100,000	639,009	(460,991)
Sale of property and compensation for loss	14,000	28,153	21,232	(6,921)
Miscellaneous	625,000	625,000	1,195,921	570,921
State aid	3,327,314	3,352,770	3,994,977	642,207
Interfund revenues	3,190,000	3,190,000	3,670,218	480,218
Total revenues	43,138,363	43,177,972	46,742,304	3,564,332
EXPENDITURES				
General government support	24,354,022	24,379,477	24,278,626	100,851
Public safety	116,740	116,740	113,351	3,389
Transportation	241,112	241,112	234,444	6,668
Economic opportunity and development	480,100	480,100	386,500	93,600
Culture and recreation	7,678,381	7,693,323	6,935,522	757,801
Home and community services	436,882	438,007	331,580	106,427
Debt service, interest	34,200	34,200	34,010	190
Capital outlay	-	-	105,032	(105,032)
Total expenditures	33,341,437	33,382,959	32,419,065	963,894
Excess of revenues over expenditures	9,796,926	9,795,013	14,323,239	4,528,226
OTHER FINANCING USES				
Operating transfers out	(9,796,926)	(9,796,926)	(9,750,577)	46,349
NET CHANGE IN FUND BALANCE	-	(1,913)	4,572,662	4,574,575
FUND BALANCE, beginning of year	(3,794,887)	(3,794,887)	(3,794,887)	-
FUND BALANCE, end of year	\$ (3,794,887)	\$ (3,796,800)	\$ 777,775	\$ 4,574,575

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, 2020			
	2020 Adopted Budget	2020 Modified Budget	2020 Actual	Variance With Actual vs. Modified Positive (Negative)
REVENUES				
Real property taxes	\$ 338,868	\$ 338,868	\$ 335,094	\$ (3,774)
Non-property tax items	350,000	350,000	310,099	(39,901)
Departmental income	355,000	355,000	420,254	65,254
Intergovernmental charges	61,600	61,600	39,300	(22,300)
Use of money and property	110,000	110,000	146,280	36,280
Licenses and permits	1,325,000	1,325,000	1,311,019	(13,981)
Sale of property and compensation for loss	85,000	85,000	94,774	9,774
Miscellaneous	20,000	20,000	33,713	13,713
Total revenues	2,645,468	2,645,468	2,690,533	45,065
EXPENDITURES				
Home and community services	3,061,098	3,061,098	3,891,735	(830,637)
Capital outlay	-	-	10,066	(10,066)
Total expenditures	3,061,098	3,061,098	3,901,801	(840,703)
Deficiency of revenues over expenditures	(415,630)	(415,630)	(1,211,268)	(785,572)
OTHER FINANCING USES				
Operating transfers out	-	-	(35,629)	(35,629)
NET CHANGE IN FUND BALANCE	(415,630)	(415,630)	(1,246,897)	(821,201)
FUND BALANCE, beginning of year	1,976,453	1,976,453	1,976,453	-
FUND BALANCE, end of year	\$ 1,560,823	\$ 1,560,823	\$ 729,556	\$ (821,201)

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, 2020			Variance With Actual vs. Modified Positive (Negative)
	2020 Adopted Budget	2020 Modified Budget	2020 Actual	
REVENUES				
Real property taxes	\$ 35,805,558	\$ 35,805,558	\$ 35,890,344	\$ 84,786
Other property tax items	225,000	225,000	220,828	(4,172)
Departmental income	-	6,402	21,341	14,939
Intergovernmental charges	6,000	6,000	6,300	300
Use of money and property	80,000	92,643	101,798	9,155
Fines and forfeitures	-	30,014	30,014	-
Sale of property and compensation for loss	-	-	4,677	4,677
Miscellaneous	375,000	375,000	159,868	(215,132)
State aid	-	27,300	32,471	5,171
Federal aid	-	10,785	45,692	34,907
Total revenues	36,491,558	36,578,702	36,513,333	(65,369)
EXPENDITURES				
Public safety	43,340,457	43,545,077	39,872,683	3,672,394
Capital outlay	-	-	158,957	(158,957)
Total expenditures	43,340,457	43,545,077	40,031,640	3,513,437
Deficiency of revenues over expenditures	(6,848,899)	(6,966,375)	(3,518,307)	(3,578,806)
OTHER FINANCING USES				
Operating transfers out	(151,101)	(151,101)	(151,101)	-
NET CHANGE IN FUND BALANCE	(7,000,000)	(7,117,476)	(3,669,408)	(3,578,806)
FUND BALANCE, beginning of year	2,699,050	2,699,050	2,699,050	-
FUND BALANCE, end of year	\$ (4,300,950)	\$ (4,418,426)	\$ (970,358)	\$ (3,578,806)

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, 2020			
	2020 Adopted Budget	2020 Modified Budget	2020 Actual	Variance With Actual vs. Modified Positive (Negative)
REVENUES				
Real property taxes	\$ 10,991,401	\$ 10,991,401	\$ 10,991,347	\$ (54)
Intergovernmental charges	2,201,000	2,201,000	2,148,341	(52,659)
Use of money and property	55,000	55,000	27,412	(27,588)
Licenses and permits	40,000	40,000	47,775	7,775
Sale of property and compensation for loss	-	-	11,740	11,740
Miscellaneous	-	9,240	7,215	(2,025)
State aid	230,000	230,000	186,559	(43,441)
Total revenues	13,517,401	13,526,641	13,420,389	(106,252)
EXPENDITURES				
Transportation	9,668,739	9,677,979	8,335,205	(1,342,774)
Excess (deficiency) of revenues over expenditures	3,848,662	3,848,662	5,085,184	(1,449,026)
OTHER FINANCING USES				
Operating transfers out	(3,848,662)	(3,848,662)	(3,847,516)	1,146
NET CHANGE IN FUND BALANCE	-	-	1,237,668	(1,447,880)
FUND BALANCE, beginning of year	(963,344)	(963,344)	(963,344)	-
FUND BALANCE, end of year	\$ (963,344)	\$ (963,344)	\$ 274,324	\$ (1,447,880)

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, 2020			Variance With Actual vs. Modified Positive (Negative)
	2020 Adopted Budget	2020 Modified Budget	2020 Actual	
REVENUES				
Real property taxes	\$ 12,380,445	\$ 12,380,445	\$ 12,327,948	\$ (52,497)
Departmental income	5,335,000	5,335,000	4,349,977	(985,023)
Use of money and property	30,000	30,000	36,391	6,391
Total revenues	17,745,445	17,745,445	16,714,316	(1,031,129)
EXPENDITURES				
Public safety	525,475	525,475	519,525	5,950
Health	9,711,150	9,711,150	9,215,465	495,685
Home and community services	8,796,661	8,834,408	9,222,831	(388,423)
Total expenditures	19,033,286	19,071,033	18,957,821	113,212
Deficiency of revenues over expenditures	(1,287,841)	(1,325,588)	(2,243,505)	(917,917)
OTHER FINANCING USES				
Operating transfers out	(306,609)	(306,609)	(306,143)	(466)
NET CHANGE IN FUND BALANCE	(1,594,450)	(1,632,197)	(2,549,648)	(918,383)
FUND BALANCE, beginning of year	9,416,961	9,416,961	9,416,961	-
FUND BALANCE, end of year	\$ 7,822,511	\$ 7,784,764	\$ 6,867,313	\$ (918,383)

Town of Ramapo, New York

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

	December 31, 2020						
	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting District	Refuse and Garbage District	Fire Protection Districts	Total
ASSETS							
Cash and cash equivalents	\$ 8,359	\$ 23,318	\$ 1,346,800	\$ 2,191,212	\$ 30,491	\$ 163,996	\$ 3,764,176
Accounts receivable, net	-	1,752,294	6,519	-	-	-	1,758,813
Due from other funds	1,072,178	-	1,718,604	-	-	-	2,790,782
Total assets	<u>\$ 1,080,537</u>	<u>\$ 1,775,612</u>	<u>\$ 3,071,923</u>	<u>\$ 2,191,212</u>	<u>\$ 30,491</u>	<u>\$ 163,996</u>	<u>\$ 8,313,771</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 116	\$ 418,199	\$ 49,234	63,065	\$ 441,112	\$ -	\$ 971,726
Accrued liabilities	-	-	118,357	-	-	-	118,357
Due to other governments	-	375	-	-	-	-	375
Due to other funds	54,000	77,000	225,000	-	-	-	356,000
Total liabilities	54,116	495,574	392,591	63,065	441,112	-	1,446,458
FUND BALANCES							
Assigned	1,026,421	1,280,038	2,679,332	2,128,147		163,996	7,277,934
Unassigned	-	-	-	-	(410,621)	-	(410,621)
Total fund balances	1,026,421	1,280,038	2,679,332	2,128,147	(410,621)	163,996	6,867,313
Total liabilities and fund balances	<u>\$ 1,080,537</u>	<u>\$ 1,775,612</u>	<u>\$ 3,071,923</u>	<u>\$ 2,191,212</u>	<u>\$ 30,491</u>	<u>\$ 163,996</u>	<u>\$ 8,313,771</u>

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, 2020						
	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting District	Refuse and Garbage District	Fire Protection Districts	Total
REVENUES							
Real property taxes	\$ 1,505,005	\$ 4,441,176	\$ 2,929,272	\$ -	\$ 3,061,470	\$ 391,025	\$ 12,327,948
Departmental income	-	4,199,056	150,921	-	-	-	4,349,977
Use of money and property	6,898	7,438	6,537	5,185	10,333	-	36,391
Total revenues	1,511,903	8,647,670	3,086,730	5,185	3,071,803	391,025	16,714,316
EXPENDITURES							
Public safety	-	-	-	-	-	519,525	519,525
Health	-	9,215,465	-	-	-	-	9,215,465
Home and community services	2,417,087	-	2,552,223	287,733	3,965,788	-	9,222,831
Total expenditures	2,417,087	9,215,465	2,552,223	287,733	3,965,788	519,525	18,957,821
Excess (deficiency) of revenues over expenditures	(905,184)	(567,795)	534,507	(282,548)	(893,985)	(128,500)	(2,243,505)
OTHER FINANCING USES							
Operating transfers out	-	-	(306,143)	-	-	-	(306,143)
Net change in fund balances	(905,184)	(567,795)	228,364	(282,548)	(893,985)	(128,500)	(2,549,648)
FUND BALANCES, beginning of year	1,931,605	1,847,833	2,450,968	2,410,695	483,364	292,496	9,416,961
FUND BALANCES, end of year	\$ 1,026,421	\$ 1,280,038	\$ 2,679,332	\$ 2,128,147	\$ (410,621)	\$ 163,996	\$ 6,867,313

See Independent Auditor's Report.

Town of Ramapo, New York

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

	December 31, 2020		
	Town-Wide Highway	Town - Outside Village Highway	Total
ASSETS			
Cash and cash equivalents	\$ 430,463	\$ 1,415,306	\$ 1,845,769
Accounts receivable	-	3,150	3,150
Due from other governments	5,490	6,917	12,407
	\$ 435,953	\$ 1,425,373	\$ 1,861,326
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 446,933	\$ 68,860	\$ 515,793
Accrued liabilities	153,878	481,331	635,209
Due to other governments	-	360,000	360,000
Unearned revenue	-	76,000	76,000
Total liabilities	600,811	986,191	1,587,002
FUND BALANCES			
Unassigned	(164,858)	439,182	274,324
	\$ 435,953	\$ 1,425,373	\$ 1,861,326

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, 2020		
	Town-Wide Highway	Town Outside Village Highway	Total
REVENUES			
Real property taxes	\$ 2,322,078	\$ 8,669,269	\$ 10,991,347
Intergovernmental charges	84,341	2,064,000	2,148,341
Licenses and permits	-	47,775	47,775
Use of money and property	6,657	20,755	27,412
Miscellaneous	5,490	1,725	7,215
Sale of property and compensation for loss	-	11,740	11,740
State aid	-	186,559	186,559
Total revenues	2,418,566	11,001,823	13,420,389
EXPENDITURES			
Transportation	2,044,965	6,290,240	8,335,205
Excess of revenues over expenditures	373,601	4,711,583	5,085,184
OTHER FINANCING USES			
Operating transfers out	-	(3,847,516)	(3,847,516)
Net change in fund balances	373,601	864,067	1,237,668
FUND BALANCES, <i>beginning of year</i>	(538,459)	(424,885)	(963,344)
FUND BALANCES, <i>end of year</i>	\$ (164,858)	\$ 439,182	\$ 274,324

Town of Ramapo, New York

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

Year Ended December 31, 2020

	<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>
ASSETS									
Cash and cash equivalents	\$ 129	\$ 178	\$ 89,895	\$ 55,951	\$ (10)	\$ 41	\$ 17,812	\$ -	\$ 163,996
Due from other funds		-	40,025	-	-	-	-	(40,025)	-
	<u>\$ 129</u>	<u>\$ 178</u>	<u>\$ 129,920</u>	<u>\$ 55,951</u>	<u>\$ (10)</u>	<u>\$ 41</u>	<u>\$ 17,812</u>	<u>\$ (40,025)</u>	<u>\$ 163,996</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Due to other funds	\$ 20,025	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ (40,025)	\$ -
FUND BALANCES									
Assigned	(19,896)	178	129,920	55,951	(20,010)	41	17,812	-	163,996
Total liabilities and fund balances	<u>\$ 129</u>	<u>\$ 178</u>	<u>\$ 129,920</u>	<u>\$ 55,951</u>	<u>\$ (10)</u>	<u>\$ 41</u>	<u>\$ 17,812</u>	<u>\$ (40,025)</u>	<u>\$ 163,996</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, 2020							
	Ramapo #1	Ramapo #2	Ramapo #3	Ramapo #4	Ramapo #5	Johnsontown Road	Park Crest	Total
REVENUES								
Real property taxes	\$ 120,525	\$ 198,500	\$ -	\$ -	\$ 64,000	\$ 8,000	\$ -	\$ 391,025
EXPENDITURES								
Public safety	120,525	198,500	103,500	25,000	64,000	8,000	-	519,525
Net change in fund balances	-	-	(103,500)	(25,000)	-	-	-	(128,500)
FUND BALANCES, beginning of year	(19,896)	178	233,420	80,951	(20,010)	41	17,812	292,496
FUND BALANCES, end of year	<u>\$ (19,896)</u>	<u>\$ 178</u>	<u>\$ 129,920</u>	<u>\$ 55,951</u>	<u>\$ (20,010)</u>	<u>\$ 41</u>	<u>\$ 17,812</u>	<u>\$ 163,996</u>

Town of Ramapo, New York

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

December 31, 2020			
Internal Service Funds			
	Workers' Compensation	General Liability	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,326,883	\$ 73,643	\$ 1,400,526
Prepaid expense	86,600	-	86,600
Total current assets	1,413,483	73,643	1,487,126
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	37,067	12,160	49,227
Claims payable, current	992,509	-	992,509
Judgments payable, current	-	450,469	450,469
Total current liabilities	1,029,576	462,629	1,492,205
NONCURRENT LIABILITIES			
Claims payable, net of current portion	9,442,805	-	9,442,805
Judgments payable, net of current portion	-	3,011,731	3,011,731
Total liabilities	10,472,381	3,474,360	13,946,741
NET POSITION (DEFICIT)			
Unrestricted (deficit)	\$ (9,058,898)	\$ (3,400,717)	\$ (12,459,615)

Town of Ramapo, New York

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

	Year Ended December 31, 2020		
	Internal Service Funds		
	Workers' Compensation	General Liability	Total
OPERATING REVENUES			
Charges for services	\$ 1,692,000	\$ -	\$ 1,692,000
Insurance recoveries	435,705	34,300	470,005
Total operating revenues	2,127,705	34,300	2,162,005
OPERATING EXPENSES			
General and administrative	183,059	-	183,059
Claims	526,778	-	526,778
Total operating expenses	709,837	-	709,837
Operating income	1,417,868	34,300	1,452,168
NONOPERATING REVENUES			
Interest income	8,258	52	8,310
	8,258	52	8,310
CHANGES IN NET POSITION (DEFICIT)	1,426,126	34,352	1,460,478
NET POSITION (DEFICIT), <i>beginning of year</i>	(10,485,024)	(3,435,069)	(13,920,093)
NET POSITION (DEFICIT), <i>end of year</i>	\$ (9,058,898)	\$ (3,400,717)	\$ (12,459,615)

Town of Ramapo, New York

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

	Year Ended December 31, 2020		
	Internal Service Funds		
	Workers' Compensation	General Liability	Total
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Cash received from providing services and insurance recoveries	\$ 2,127,705	\$ 107,891	\$ 2,235,596
Cash paid for contractual expenses	(1,546,662)	(34,300)	(1,580,962)
	581,043	73,591	654,634
NET CASH PROVIDED BY INVESTING ACTIVITIES			
Interest income received	8,258	52	8,310
	8,258	52	8,310
Net increase in cash and cash equivalents	589,301	73,643	662,944
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	737,582	-	737,582
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 1,326,883	\$ 73,643	\$ 1,400,526
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ 1,417,868	\$ 34,300	\$ 1,452,168
Changes in assets and liabilities			
Due from general fund	-	73,591	73,591
Accounts payable and accrued expenses	16,222	-	16,222
Claims and judgments payable	(853,047)	(34,300)	(887,347)
	\$ 581,043	\$ 73,591	\$ 654,634