

**TOWN OF RAMAPO**  
**237 Route 59**  
**Suffern, NY 10901**  
**(845) 357-5100/FAX (845) 357-7209**

***John Lynch***  
***Director of Finance***

**June 30, 2021**

### **Director of Finance – Year End Message – 2020**

I am pleased to announce the completion of our 2020 Audited Financial Statements for the Town. Our independent auditors, BST and Co., have issued a clean and unqualified opinion on the financial statements.

### **Highlights of the 2020 Audited Financial Report**

Despite the challenges of the pandemic, we maintained financial discipline and did not sustain any material financial setbacks. In fact, the Town was able to supply masks, gloves, gowns, and other medical supplies throughout the community even when those items were in short supply. We helped our hospitals and first responders as well as neighboring municipalities and not-for-profit health services organizations during a time of great need.

Under the leadership of Supervisor Specht and our Town Board, we have been able to make significant continued progress in improving the overall financial strength of the Town as well as continuing to ensure best practices in every aspect of financial management.

### **Positive Fund Balance in the General Fund**

- At the end of 2019, the General Fund had a negative fund balance of \$3.795 million.
- In the budget for 2020, our Town Board provided for an additional inflow of \$2 million solely to restore the General Fund balance.
- In addition, for the third year in a row we achieved an operating surplus; this year in the amount of \$2.573 million.
- We achieved this surplus through our commitment to realistic budgeting for 2020 and highly effective management control over spending during the year.
- As of December 31, 2020, the General Fund has a positive fund balance of \$778,000.

**In addition to the General Fund, the aggregate December 31, 2020, financial position of the Town at the fund level is solid:**

- Aggregate liquidity of \$ 16.5 million.
- Additional funds of \$5.4 million available for capital projects.
- Aggregate positive fund balance of \$11.9 million.
- Cost reductions and economy and efficiency initiatives continue to be implemented in each fund and special district.

**Government-wide Financial Statements**

Fund level financial statements include only current assets, current liabilities and current operations of the Town. The Government-wide financial statements aggregate the fund level information and then add the long-term assets and long-term liabilities. The Ramapo Local Development Corporation, a component unit of the Town, is also included to present a comprehensive view of the financial position of the entire government operation.

Highlights as of December 31, 2020, are as follows:

- Capital assets, which include land, buildings, equipment and infrastructure total \$185 million, net of accumulated depreciation.
- Long term bonds payable total \$105 million, which is less than 12% of the Town's constitutional debt limit.
- The government-wide net position is a negative \$154.4 million; this negative net position results primarily from the required recognition of the actuarially calculated long-term postemployment benefit liabilities of \$251.4 million and long term deferred pension contributions payable of \$49.3 million.
- The implementation of Government Accounting Standards Board Statement no. 75 ("Accounting and Financial Reporting for Postemployment Benefits other than Pensions") applies to all government entities that offer postemployment benefits with the effect that most government entities at every level report a negative net position due to the actuarial estimation of these costs to be paid in future reporting periods.

**Looking to the Future**

We are committed to continuing to improve the financial stability of the Town by carrying out the financial strategies and initiatives set out by the Town Board.

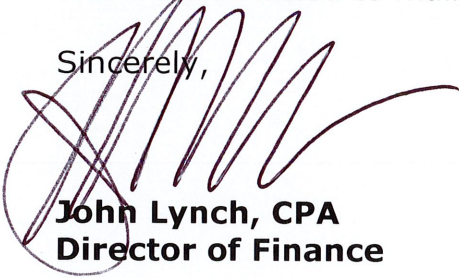
Our immediate financial management objectives are:

- Maintain timely and complete compliance with all financial reporting requirements.
- Update and document all financial policies and procedures to be ratified by the Board and updated each year or earlier as required.

With our improved financial condition, we are now moving ahead to obtain a credit rating so that we can return to the municipal bond market to fund important infrastructure projects. Municipal interest rates are at historic lows and once we are rated, we intend to refinance a portion of the existing debt to decrease our debt service costs.

I want to thank our Town Supervisor, Michael Specht, and all members of the Town Board for giving me the support needed to implement best practices in all aspects of financial management and transparent reporting. We are committed to maintaining your mandate in this regard.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John Lynch', with a large, sweeping flourish extending to the right. The signature is written over the word 'Sincerely,' and partially overlaps the printed name below.

**John Lynch, CPA**  
**Director of Finance**