

TOWN OF RAMAPO, NEW YORK
FINANCIAL STATEMENTS AND REQUIRED REPORTS
December 31, 2021
together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

TOWN OF RAMAPO, NEW YORK

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).....	4-12
FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position.....	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	15
Reconciliation of the Balance Sheet – Governmental Funds – to the Statement of Net Position.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	18
Statement of Net Position – Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	20
Statement of Cash Flows – Proprietary Funds	21
Statement of Fiduciary Net Position – Custodial Fund	22
Statement of Changes in Fiduciary Net Position – Custodial Fund.....	23
Notes to Financial Statements	24-59

CONTENTS (Continued)

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Unaudited):	
General Fund.....	60
Police Fund.....	61
Schedule of Changes in Total OPEB Liability & Related Ratios (Unaudited).....	62
Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited).....	63
Schedule of Contributions – Pension Plan (Unaudited).....	64

SUPPLEMENTARY INFORMATION

Combining Fund Statements – Nonmajor Governmental Funds:

Combining Balance Sheet.....	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	66

Individual Fund Schedules:

Combining Balance Sheet- Special Revenue Fund.....	67;69;71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Special Revenue Fund.....	68;70;72
Combining Statement of Net Position – Internal Service Funds.....	73
Combining Statement of Revenues, Expenditures, and Changes in Net Position Internal Revenue Funds	74
Combining Statement of Cash Flows – Internal Services Funds	75

OTHER INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Unaudited):

Town Outside Village Fund.....	76
Highway Fund.....	77
Special Districts Fund	78

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	79-80
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INDEPENDENT AUDITOR'S REPORT

May 19, 2022

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

Report on the Financial Statements

Opinions

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 (the Town), New York as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, schedules of changes in total OPEB liability and related ratios, and proportionate share of net pension liability (asset), and contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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 accompanying combining fund statements – Nonmajor Governmental funds; and Individual fund schedules – Highway Fund; Special Revenue Fund and Internal Service Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied to 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 accompanying combining fund statements – Nonmajor Governmental funds; and Individual fund schedules – Highway Fund; Special Revenue Fund and Internal Service Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the schedule of revenues, expenditures, and changes in fund balance – budget and actual: town outside village fund, highway fund and special district funds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2022 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.

**TOWN OF RAMAPO, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021**

INTRODUCTION

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, 2021.

These management comments, written as of May 19, 2022, also provide the benefit of perspective on certain developments after December 31, 2021, 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

Key financial highlights for fiscal year ended 2021 are as follows:

Government-Wide Financial Statements

- On the December 31, 2021 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 \$179,006,567 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 of \$264,864,108 and deferred pension contribution payables of \$12,807,277 at December 31, 2021.

Fund Financial Statements

- During 2021, the General Fund operations resulted in a net operating surplus of \$1,763,491. Actual revenues exceeded budgeted revenues by \$3,401,202, primarily due to an increase in both sales tax and mortgage tax revenue as well as the receipt of the American Rescue Act ("ARA") grant from the Federal government in the amount of \$2,296,198. ARA funding was allocated to municipalities throughout the country to provide assistance to offset the financial and economic costs resulting from the Covid 19 pandemic. Actual expenditures exceeded the budget by \$1,659,667, primarily due to the necessary disbursement of the ARA funds.
- As a result of the operating surplus in 2021, the general fund balance increased from \$775,775 at the end of 2020 to \$2,541,266 at the end of 2021. In January 2022, the Town closed the sale of a parcel of vacant land for sales proceeds of \$5 million, which increased the general fund balance to more than \$7.5 million. The purchaser intends to develop the property as a commercial warehousing center thereby resulting in a significant increase to the Town's taxable assessed value.
- In 2021, the New York State Office of the State Comptroller removed the Town from its annual "stress list" as a result of the improved financial results and strong balance sheet at December 31, 2020.

Fund Financial Statements (Continued)

- The Town's General Fund incurred \$2,206,233 of costs on behalf of the Ramapo Local Development Corporation (Corporation), comprising \$570,808 of operating costs and \$1,635,425 of debt service costs. These costs are reported as a contribution from the General Fund to the enterprise fund.

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.

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. The General Fund, Police Fund, Debt Service Fund and Capital Projects Fund 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 Clover Stadium formerly known as 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 Funds

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a condensed statement of government-wide net position for the Town at December 31, 2021:

	Governmental Activities		Business-Type Activity		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets						
Noncapital assets						
Cash and cash equivalents	\$ 35,715,963	\$ 23,306,079	\$ 144,621	\$ 155,696	\$ 35,860,584	\$ 23,461,775
Receivables, net	3,543,748	5,648,980	168,513	52,000	3,712,261	5,700,980
Other	86,600	216,600	2,040,585	2,040,585	2,127,185	2,257,185
Total noncapital assets	39,346,311	29,171,659	2,353,719	2,248,281	41,700,030	31,419,940
Capital assets	148,813,897	150,573,492	33,445,227	34,622,109	182,259,124	185,195,601
Total assets	188,160,208	179,745,151	35,798,946	36,870,390	223,959,154	216,615,541
Deferred outflows of resources	85,225,645	87,636,581	553,843	581,505	85,779,488	88,218,086
Liabilities						
Due within one year	34,571,552	31,098,454	2,207,226	2,177,534	36,778,778	33,275,988
Due in more than one year	366,678,370	385,188,762	21,533,839	22,264,830	388,212,209	407,453,592
Total liabilities	401,249,922	416,287,216	23,741,065	24,442,364	424,990,987	440,729,580
Deferred inflows of resources	51,142,498	18,477,016	-	-	51,142,498	18,477,016
Net position						
Net investment in capital assets	67,520,794	77,798,260	11,734,240	12,227,793	79,255,034	90,026,053
Restricted	17,899,814	19,530	-	-	17,899,814	19,530
Unrestricted	(264,427,175)	(245,200,290)	877,484	781,738	(263,549,691)	(244,418,552)
Total net position	<u>\$(179,006,567)</u>	<u>\$(167,382,500)</u>	<u>\$ 12,611,724</u>	<u>\$ 13,009,531</u>	<u>\$(166,394,843)</u>	<u>\$(154,372,969)</u>

The governmental activities noncapital assets increased by \$10,169,829. The increase in noncapital assets is primarily cash and cash equivalents, offset partially by receivables and prepaid expenses. Capital assets within the governmental activities decreased \$1,762,099 driven primarily by depreciation of \$6,872,977, offset by additions of \$6,364,426. 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 decreased by \$18,510,492 in 2021 driven primarily by a reduction in net pension liability of \$30,435,730, offset by an increase in OPEB of \$13,486,335. During 2021, the Town elected to amortize pension contributions of \$1,231,312 over the future reporting periods, while repaying \$2,815,684 to the retirement system for the past contribution amortizations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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.

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

	Governmental Activities		Business-Type Activity		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 16,024,559	\$ 17,867,057	\$ 238,113	\$ 85,618	\$ 16,262,672	\$ 17,952,675
Operating grants and contributions	2,297,122	104,619	-	-	2,297,122	104,619
Capital grants and contributions	520,669	274,237	-	-	520,669	274,237
General revenues						
Taxes	87,063,267	85,780,493	-	-	87,063,267	85,780,493
Other	11,159,165	8,593,124	185,000	77	11,344,165	8,593,201
Total revenues	<u>117,064,782</u>	<u>112,619,530</u>	<u>423,113</u>	<u>85,695</u>	<u>117,487,895</u>	<u>112,705,225</u>
Expenses						
General governmental support	26,229,387	25,037,231	-	-	26,229,387	25,037,231
Public safety	47,546,478	49,512,522	-	-	47,546,478	49,512,522
Health	9,186,477	11,182,362	-	-	9,186,477	11,182,362
Transportation	12,485,994	11,791,158	-	-	12,485,994	11,791,158
Economic opportunity and development	1,715,440	468,992	-	-	1,715,440	468,992
Culture and recreation	12,732,609	11,502,482	-	-	12,732,609	11,502,482
Home and community services	13,687,372	16,849,530	-	-	13,687,372	16,849,530
Interest on long-term debt	2,898,859	2,898,882	-	-	2,898,859	2,898,882
Ramapo LDC	-	-	3,027,153	2,824,319	3,027,153	2,824,319
Total expenses	<u>126,482,616</u>	<u>129,243,159</u>	<u>3,027,153</u>	<u>2,824,319</u>	<u>129,509,769</u>	<u>132,067,478</u>
Contributions	<u>(2,206,233)</u>	<u>(2,031,242)</u>	<u>2,206,233</u>	<u>2,031,242</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(11,624,067)</u>	<u>(18,654,871)</u>	<u>(397,807)</u>	<u>(707,382)</u>	<u>(12,021,874)</u>	<u>(19,362,253)</u>
Net position, beginning 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>
Net position, end of year	<u>\$(179,006,567)</u>	<u>\$(167,382,500)</u>	<u>\$ 12,611,724</u>	<u>\$ 13,009,531</u>	<u>\$(166,394,843)</u>	<u>\$(154,372,969)</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

- Aggregate government-wide revenues increased by \$4,782,670 (an increase of 4.2%) primarily due to increased collections of sales and mortgage taxes, a 1.5% increase in property taxes and the receipt of ARA funding \$2,296,198 and other grant funds offset by a decrease of \$1,842,498 in charges for services.
- Aggregate government wide expenses decreased by \$2,555,305 or 2.0%.
- Business Type Activity solely comprises the operations of the Ramapo Local Development Corporation resulting from the management of a minor league baseball stadium, known as Clover Stadium (formerly known as Palisades Credit Union Park Stadium). Business type revenues increase by \$337,418 due to an increase in stadium rental income and an insurance settlement, offset by an increase in operating expenses of \$200,834.
- The Town made contributions to the Corporation of \$2,206,233 and \$2,031,242 in 2021 and 2020 respectively. These contributions were entirely used to finance the operating and debt service costs of the Corporation 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.

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.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

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.

Governmental Funds

The Town's *governmental funds* as presented in the balance sheet, reported a combined fund balance of \$18,961,464, of which \$11,498,952 is restricted for debt service and capital projects.

During 2021, the Town's General Fund's fund balance improved by an increase of \$1,763,491 to a fund balance of \$2,541,266.

In 2021, actual Police Fund revenues exceeded budgeted revenues by \$391,390. This was offset by actual expenses which exceeded budgeted expenses by \$416,163. This resulted in an operating deficit in 2021 of \$73,396, bringing the Police Fund balance to a negative \$1,043,754.

The Town's Capital Project Fund reported a \$6,472,473 increase in fund balance, primarily as the result of \$9,609,681 in proceeds from long term debt and capital leases.

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, 2021		
	Final Budget	Actual	Variance
Total revenues	<u>\$ 40,150,280</u>	<u>\$ 43,551,482</u>	<u>\$ 3,401,202</u>
Expenditures			
General Government	19,691,201	20,793,488	1,102,287
Culture and recreation	8,489,257	7,671,515	(817,742)
Other program areas	1,337,486	2,519,091	1,181,605
Debt service (capital leases)	<u>314,200</u>	<u>507,717</u>	<u>193,517</u>
Total expenditures	29,832,144	31,491,811	1,659,667
Excess of revenues over expenditures	10,318,136	12,059,671	1,741,535
Other financing uses	(10,332,040)	(10,296,180)	35,860
Operating surplus (deficit)	<u>\$ (13,904)</u>	<u>\$ 1,763,491</u>	<u>\$ 1,777,395</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets include land, land improvements, buildings and improvements, machinery and equipment and infrastructure. During 2021, the Town had no material capital projects in process. The primary government's investment in capital assets (net of accumulated depreciation) is approximately \$182.2 million at December 31, 2021.

	Governmental Activities		Business-Type Activity		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Capital assets						
Land	\$ 39,695,539	\$ 40,333,786	\$ 8,338,047	\$ 8,338,047	\$ 48,033,586	\$ 48,671,833
Land improvements	16,760,497	18,589,006	4,305,170	4,305,170	21,065,667	22,894,176
Buildings and improvements	44,983,467	46,276,749	19,666,931	20,866,234	64,650,398	67,142,983
Machinery and equipment	5,909,966	3,414,912	1,135,079	1,112,658	7,045,045	4,527,570
Infrastructure	41,464,428	41,959,039	-	-	41,464,428	41,959,039
Total capital assets, net	<u>\$ 148,813,897</u>	<u>\$ 150,573,492</u>	<u>\$ 33,445,227</u>	<u>\$ 34,622,109</u>	<u>\$ 182,259,124</u>	<u>\$ 185,195,601</u>

Long-term Debt

The following tables summarizes the Town's long-term debt obligations as of December 31, 2021 and 2020:

	Governmental Activities		Business-Type Activity		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Long-term debt						
Bonds payable	\$ 74,445,000	\$ 76,865,000	\$ 20,545,000	\$ 21,170,000	\$ 94,990,000	\$ 98,035,000
Plus unamortized premium	836,007	106,981	1,719,830	1,805,821	2,555,837	1,912,802
Capital leases	<u>2,907,096</u>	<u>1,750,900</u>	-	-	<u>2,907,096</u>	<u>1,750,900</u>
Total long-term debt, net	<u>\$ 78,188,103</u>	<u>\$ 78,722,881</u>	<u>\$ 22,264,830</u>	<u>\$ 22,975,821</u>	<u>\$ 100,452,933</u>	<u>\$ 101,698,702</u>

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.

In September of 2021, the Standard & Poors rating agency awarded the Town an A+ rating with a stable outlook. With this excellent rating the Town returned to the municipal bond market with two issues:

- Refinancing Bonds of \$17.3 million of existing bond debt at significantly lower interest rates resulting in an interest savings of approximately \$3 million over the remaining life of the debt.
- Public Improvement Bonds of \$7.4 million to fund sewer and road infrastructure improvements.

In addition, during 2021, the Town issued an aggregate of \$3.1 million in Bond Anticipation Notes to fund the commencement of critical capital improvement projects.

MACROECONOMIC FACTORS

The Town is the eighth largest in New York State with a land area of approximately 61 square miles. For the year ended December 31, 2021, the macroeconomic fundamentals of the Town have been stable.

Economic highlights are as follows:

- 2020 Census Population of 148,919, up from 126,595 in 2010
- Median household income (2020 dollars) of \$72,978
- Median value of owner-occupied housing units (2016 – 2020) of \$472,300
- Annual average unemployment rates among the lowest in New York State: 2019 – 3.3%, 2020 – 3.1%, 2021 – 3.8%.
- Stable taxable assessed property valuation of \$1.6 billion (2015 – 2021)

(Source: U.S. Census Bureau, New York State Department of Labor, Town of Ramapo Tax Roll)

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

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Cash - Unrestricted	\$ 19,087,239	\$ 144,621	\$ 19,231,860
Cash - Restricted	16,628,724	-	16,628,724
Receivables:			
Accounts receivable	2,006,388	168,513	2,174,901
Due from other governments	1,537,360	-	1,537,360
Prepaid items	86,600	-	86,600
Property under sales contract	-	2,040,585	2,040,585
	<u>39,346,311</u>	<u>2,353,719</u>	<u>41,700,030</u>
Total current assets			
Non-current assets:			
Non-depreciable capital assets	39,695,539	8,338,047	48,033,586
Depreciable assets, net of accumulated depreciation	109,118,358	25,107,180	134,225,538
	<u>148,813,897</u>	<u>33,445,227</u>	<u>182,259,124</u>
Total non-current assets			
Deferred outflows of resources:			
Deferred outflows of resources - Deferred gain on refunding	-	553,843	553,843
Deferred outflows of resources - Postemployment benefits healthcare costs	43,167,049	-	43,167,049
Deferred outflows of resources - pensions	42,058,596	-	42,058,596
	<u>85,225,645</u>	<u>553,843</u>	<u>85,779,488</u>
Total deferred outflows of resources			
Total assets and deferred outflows of resources	<u>273,385,853</u>	<u>36,352,789</u>	<u>309,738,642</u>
LIABILITIES			
Accounts payable and accrued liabilities	14,795,736	21,511	14,817,247
Accrued interest	438,962	292,043	731,005
Unearned revenues	479,838	-	479,838
Other liabilities	361,443	-	361,443
Bond anticipation notes payable	3,105,000	-	3,105,000
Deposits under sales contract	-	1,162,681	1,162,681
Current portion of non-current liabilities	15,390,573	730,991	16,121,564
	<u>34,571,552</u>	<u>2,207,226</u>	<u>36,778,778</u>
Total current liabilities			
Non-current liabilities:			
Bonds payable	65,872,556	21,533,839	87,406,395
Capital leases	1,908,449	-	1,908,449
Compensated absences	3,670,880	-	3,670,880
Net pension liability	7,245,348	-	7,245,348
Claims and judgments	12,709,734	-	12,709,734
Retirement incentive and other pension obligations	9,893,045	-	9,893,045
Estimated liability for landfill closure and post closure costs	514,250	-	514,250
Total other postemployment benefits liability	264,864,108	-	264,864,108
	<u>366,678,370</u>	<u>21,533,839</u>	<u>388,212,209</u>
Total long-term liabilities			
Total liabilities	<u>401,249,922</u>	<u>23,741,065</u>	<u>424,990,987</u>
Deferred inflows of resources:			
Deferred inflows of resources - Pensions	38,463,739	-	38,463,739
Deferred inflows of resources - Other post employment benefits	12,678,759	-	12,678,759
	<u>51,142,498</u>	<u>-</u>	<u>51,142,498</u>
Total deferred inflows of resources			
Total liabilities and deferred inflows of resources	<u>452,392,420</u>	<u>23,741,065</u>	<u>476,133,485</u>
NET POSITION			
Net investment in capital assets	67,520,794	11,734,240	79,255,034
Restricted	17,899,814	-	17,899,814
Unrestricted	(264,427,175)	877,484	(263,549,691)
Total net position	<u>\$ (179,006,567)</u>	<u>\$ 12,611,724</u>	<u>\$ (166,394,843)</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities -							
General governmental support	\$ 26,229,387	\$ 4,343,477	\$ 1,426,230	\$ -	\$ (20,459,680)	\$ -	\$ (20,459,680)
Public safety	47,546,478	1,175,312	32,130	46,416	(46,292,620)	-	(46,292,620)
Health	9,186,477	3,909,736	838,762	-	(4,437,979)	-	(4,437,979)
Transportation	12,485,994	2,274,568	-	474,253	(9,737,173)	-	(9,737,173)
Economic opportunity and development	1,715,440	-	-	-	(1,715,440)	-	(1,715,440)
Culture and recreation	12,732,609	1,976,795	-	-	(10,755,814)	-	(10,755,814)
Home and community services	13,687,372	2,344,671	-	-	(11,342,701)	-	(11,342,701)
Interest	2,898,859	-	-	-	(2,898,859)	-	(2,898,859)
Total governmental activities	126,482,616	16,024,559	2,297,122	520,669	(107,640,266)	-	(107,640,266)
Business-Type Activity	3,027,153	238,113	-	-	-	(2,789,040)	(2,789,040)
Total Primary Government	\$ 129,509,769	\$ 16,262,672	\$ 2,297,122	\$ 520,669	(107,640,266)	(2,789,040)	(110,429,306)
GENERAL REVENUES:							
Real property taxes					86,009,109	-	86,009,109
Other property tax items							
Payment in lieu of taxes					564,301	-	564,301
Interest and penalties on real property taxes					489,857	-	489,857
Non-property taxes							
Franchise fees					315,738	-	315,738
Non-property distribution from Rockland County					2,721,015	-	2,721,015
Use of money and property					539,346	-	539,346
Gain on sale of property					897,965	-	897,965
Other New York State and Rockland County taxes					6,037,383	-	6,037,383
Other revenues					647,718	185,000	832,718
Total general revenues					98,222,432	185,000	98,407,432
TOWN CONTRIBUTIONS					(2,206,233)	2,206,233	-
Change in net position					(11,624,067)	(397,807)	(12,021,874)
Total net position - beginning of year					(167,382,500)	13,009,531	(154,372,969)
Net position - end of year					\$ (179,006,567)	\$ 12,611,724	\$ (166,394,843)

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Major Funds					Total
	General Fund	Police	Debt Service	Capital Projects	Non-major Funds	
ASSETS						
Cash and cash equivalents	\$ 5,194,106	\$ 5,743,627	\$ -	\$ -	\$ 8,149,506	\$ 19,087,239
Cash - restricted	-	-	874,012	14,054,027	-	14,928,039
Accounts receivable	446,611	10,190	-	-	1,549,587	2,006,388
Due from other funds	45,000	-	718	7,860	67,616	121,194
Due from other governments	<u>1,458,256</u>	<u>24,588</u>	<u>-</u>	<u>2,860</u>	<u>51,656</u>	<u>1,537,360</u>
Total assets	<u>\$ 7,143,973</u>	<u>\$ 5,778,405</u>	<u>\$ 874,730</u>	<u>\$ 14,064,747</u>	<u>\$ 9,818,365</u>	<u>\$ 37,680,220</u>
LIABILITIES:						
Accounts payable and accrued liabilities	\$ 4,468,884	\$ 6,822,159	\$ -	\$ 289,807	\$ 3,070,431	\$ 14,651,281
Due to other funds	9,066	-	45,000	718	66,410	121,194
Due to other governments	29,743	-	-	-	320,375	350,118
Unearned revenue	83,689	-	-	-	396,149	479,838
Bond anticipation notes payable	-	-	-	3,105,000	-	3,105,000
Other liabilities	<u>11,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,325</u>
Total liabilities	<u>4,602,707</u>	<u>6,822,159</u>	<u>45,000</u>	<u>3,395,525</u>	<u>3,853,365</u>	<u>18,718,756</u>
FUND BALANCES:						
Restricted	-	-	829,730	10,669,222	6,400,862	17,899,814
Unassigned	<u>2,541,266</u>	<u>(1,043,754)</u>	<u>-</u>	<u>-</u>	<u>(435,862)</u>	<u>1,061,650</u>
Total fund balances	<u>2,541,266</u>	<u>(1,043,754)</u>	<u>829,730</u>	<u>10,669,222</u>	<u>5,965,000</u>	<u>18,961,464</u>
Total liabilities and fund balances	<u>\$ 7,143,973</u>	<u>\$ 5,778,405</u>	<u>\$ 874,730</u>	<u>\$ 14,064,747</u>	<u>\$ 9,818,365</u>	<u>\$ 37,680,220</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2021

Total fund balance - governmental funds \$ 18,961,464

Total net position reported for governmental activities in the Statement of Net Position is different because:

Deferred outflows of resources not reported in governmental funds, related to the following:

Pension	42,058,596
Postemployment benefits healthcare costs	43,167,049

Deferred inflow of resources not reported in governmental funds, related to the following:

Pension	(38,463,739)
Postemployment benefits healthcare costs	(12,678,759)

Capital assets used in governmental activities are not current financial resources and; therefore, are not reported in the funds. 148,813,897

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. (12,599,608)

Long-term liabilities that are not due and payable in the current period are not reported in the funds:

General obligation bonds	(74,445,000)
Compensated absences	(4,078,756)
Capital Leases	(2,907,096)
Net pension liability, proportionate share	(7,245,348)
Estimated liability for landfill closure and post closure care costs	(642,813)
Postemployment benefits healthcare costs	(264,864,108)
Retirement incentive	(12,807,377)

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (836,007)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However these liabilities are included in the Statement of Net Position. (438,962)

Total net position of governmental activities \$ (179,006,567)

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Major Funds					Total
	General Fund	Police	Debt Service	Capital Projects	Non Major Funds	
REVENUES:						
Real property taxes	\$ 21,267,192	\$ 39,948,810	\$ -	\$ -	\$ 24,793,107	\$ 86,009,109
Other tax items	820,466	233,692	-	-	315,738	1,369,896
Nonproperty tax items	2,721,015	-	-	-	-	2,721,015
Departmental income	6,268,141	3,303	-	-	4,657,996	10,929,440
Intergovernmental charges	-	10,895	-	-	2,236,068	2,246,963
Use of money and property	404,864	5,095	4,760	-	124,627	539,346
Licenses and permits	5,581	-	-	-	1,681,461	1,687,042
Fines and forfeitures	1,161,114	-	-	-	-	1,161,114
Sale of property and compensation for loss	235,863	146,149	438,306	-	77,647	897,965
Interfund revenue	3,066,357	-	-	-	-	3,066,357
State aid	6,037,383	32,130	-	-	361,483	6,430,996
Federal aid	1,504,996	46,416	-	34,004	838,762	2,424,178
Miscellaneous	58,510	221,859	-	110,129	257,220	647,718
Total revenues	43,551,482	40,648,349	443,066	144,133	35,344,109	120,131,139
EXPENDITURES:						
General governmental support	20,793,488	-	62,694	-	-	20,856,182
Public safety	246,013	40,132,833	-	-	550,364	40,929,210
Health	9,862	-	-	-	9,176,615	9,186,477
Transportation	235,162	-	-	-	9,175,674	9,410,836
Economic opportunity and development	1,715,440	-	-	-	-	1,715,440
Culture and recreation	7,671,515	-	-	-	-	7,671,515
Home and community services	312,614	-	-	-	13,688,833	14,001,447
Debt service -						
Principal	442,218	189,407	27,135,000	-	381,859	28,148,484
Interest	65,499	24,625	2,903,027	-	74,300	3,067,451
Capital outlay	-	230,192	-	3,281,341	-	3,511,533
Total expenditures	31,491,811	40,577,057	30,100,721	3,281,341	33,047,645	138,498,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,059,671	71,292	(29,657,655)	(3,137,208)	2,296,464	(18,367,436)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	12,437,292	-	-	12,437,292
Transfers out	(10,296,180)	(144,688)	-	-	(4,202,657)	(14,643,525)
Debt issuance proceeds	-	-	17,275,000	7,440,000	-	24,715,000
Capital lease proceeds	-	-	-	1,889,681	-	1,889,681
BANS redeemed from appropriations	-	-	-	280,000	-	280,000
Premium on debt issuance	-	-	757,477	-	-	757,477
Total other financing sources and uses	(10,296,180)	(144,688)	30,469,769	9,609,681	(4,202,657)	25,435,925
CHANGE IN FUND BALANCE	1,763,491	(73,396)	812,114	6,472,473	(1,906,193)	7,068,489
FUND BALANCE - beginning of year	777,775	(970,358)	17,616	4,196,749	7,871,193	11,892,975
FUND BALANCE - end of year	\$ 2,541,266	\$ (1,043,754)	\$ 829,730	\$ 10,669,222	\$ 5,965,000	\$ 18,961,464

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - governmental funds \$ 7,068,489

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

Governmental funds report outlays as expenditures. 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 capital outlay exceeded depreciation expense in the current period:

Capital outlay expenditures less disposals	3,975,279
Depreciation expense	(6,872,979)
Loss on disposition	(612,795)

Net change in deferred outflows of recourses related to:

Pensions	5,368,582
Postemployment benefits healthcare costs	(7,779,518)

The net operating surplus (loss) of the internal service funds is reported
within governmental activities. (139,993)

The issuance of long-term debt and increase in obligations provides current financial
resources to governmental funds, while the repayment of the principal of long term debt
consumes the current financial resources of governmental funds. Neither transaction has any
effect on net position:

Debt issued	(24,715,000)
Repayment of debt principal	27,415,000
Compensated absences	440,832
BANS redeemed from appropriations	(280,000)
Capital Lease proceeds	(1,889,681)
Repayment of capital lease	733,485
Net pension liability - proportionate share	30,435,730
Estimated liability for landfill closure and post closure care costs	314,468
Retirement incentive and other pension obligations payable	1,593,042
Postemployment benefits healthcare costs	(13,486,335)
Accrued interest payable	201,835

Net change in deferred inflows of recourses related to:

Pensions	(37,218,720)
Postemployment benefits healthcare costs	4,553,238

Premiums of bond issuances recognized in governmental funds statements when
issued and capitalized and amortized in the Statement of Activities (729,026)

Change in net position of governmental activities \$ (11,624,067)

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Business-Type Activities Local Development Corporation	Governmental Activities Internal Service Fund
ASSETS		
Cash - Unrestricted	\$ -	\$ -
Cash - Restricted	144,621	1,700,685
Accounts receivable	168,513	-
Prepaid items	-	86,600
Property under sales contracts	<u>2,040,585</u>	<u>-</u>
Total current assets	<u>2,353,719</u>	<u>1,787,285</u>
Non-current assets:		
Non-depreciable capital assets	8,338,047	-
Depreciable capital assets, net of accumulated depreciation	<u>25,107,180</u>	<u>-</u>
Total non-current assets	<u>33,445,227</u>	<u>-</u>
Deferred outflows of resources:		
Deferred outflows of resources - refunding	<u>553,843</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>36,352,789</u>	<u>1,787,285</u>
LIABILITIES		
Accounts payable and accrued liabilities	21,511	144,455
Accrued interest	292,043	-
Deposits under sales contract	1,162,681	-
Bonds payable, current	730,991	-
Claims payable, current	-	846,050
Judgments payable, current	<u>-</u>	<u>686,654</u>
Total current liabilities	<u>2,207,226</u>	<u>1,677,159</u>
Non-current liabilities:		
Bonds payable, net of current portion	21,533,839	-
Claims and judgments, net of current portion	-	7,985,113
Judgments payable, net of current portion	<u>-</u>	<u>4,724,621</u>
Total long-term liabilities	<u>21,533,839</u>	<u>12,709,734</u>
Total liabilities	<u>23,741,065</u>	<u>14,386,893</u>
NET POSITION		
Net investment in capital assets	11,734,240	-
Unrestricted	<u>877,484</u>	<u>(12,599,608)</u>
Total net position	<u>\$ 12,611,724</u>	<u>\$ (12,599,608)</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Business-Type <u>Activities</u> Local Development <u>Corporation</u>	Governmental <u>Activities</u> Internal Service <u>Fund</u>
OPERATING REVENUES		
Charges for services	\$ 118,013	\$ 1,494,000
Rental income	120,100	-
Insurance recoveries	<u>185,000</u>	<u>310,986</u>
Total operating revenues	<u>423,113</u>	<u>1,804,986</u>
OPERATING EXPENSES		
General and administrative	219,929	296,782
Salaries and employee benefits	60,285	-
Professional fees	66,766	-
Utilities	276,823	-
Repairs and maintenance	221,829	-
Real estate taxes	35,591	-
Depreciation	1,199,303	-
Claims	<u>-</u>	<u>1,649,674</u>
Total operating expenses	<u>2,080,526</u>	<u>1,946,456</u>
Operating income (loss)	<u>(1,657,413)</u>	<u>(141,470)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	-	1,477
Interest expense	<u>(946,627)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(946,627)</u>	<u>1,477</u>
OTHER FINANCING SOURCES		
Contribution from the Town of Ramapo	<u>2,206,233</u>	<u>-</u>
Net changes in proprietary net position	(397,807)	(139,993)
Net position, beginning of year	<u>13,009,531</u>	<u>(12,459,615)</u>
Net position, end of year	<u>\$ 12,611,724</u>	<u>\$ (12,599,608)</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Business-Type Activities Local Development Corporation	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from providing services and insurance recoveries	\$ 423,113	\$ 1,804,986
Cash paid for contractual expenses	(922,290)	(1,506,304)
Cash paid for personal services and employee benefits	(60,285)	-
	<u>(559,462)</u>	<u>298,682</u>
Net cash provided (used) by operating activities		
CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		
Contribution from the Town of Ramapo	<u>2,206,233</u>	-
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond repayments	(625,000)	-
Interest payments	(1,010,425)	-
Capital additions	(22,421)	-
	<u>(1,657,846)</u>	-
Net cash provided (used) by investing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	-	<u>1,477</u>
Net increase in cash and cash equivalents	(11,075)	300,159
CASH AND CASH EQUIVALENTS, beginning of year	<u>155,696</u>	<u>1,400,526</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 144,621</u>	<u>\$ 1,700,685</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ (1,657,413)	\$ (141,470)
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	(116,513)	-
Accounts payable and accrued expenses	15,161	95,228
Claims and judgment payable	-	<u>344,924</u>
Net cash provided (used) by operating activities	<u>\$ (559,462)</u>	<u>\$ 298,682</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
DECEMBER 31, 2021**

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 808,439
NET POSITION	
Restricted:	
Metro North Rail	4,250
Held for other governments	46,901
Other	163,065
Building and zoning escrows	577,427
State bail	<u>16,796</u>
Total net position	<u>\$ 808,439</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND DECEMBER 31, 2021

	<u>Custodial Fund</u>
ADDITIONS	
Building and zoning escrows	\$ 250,199
State bail	11,749
Metro North payment	1,600
Other	806,197
Property tax collections - other governments	298,424,364
PILOT collections - other governments	<u>2,316,479</u>
Total additions	<u>\$ 301,810,588</u>
DEDUCTIONS	
Building and zoning escrows	\$ 91,454
State bail	2,440
Other	758,132
Property tax collections - other governments	298,424,316
Metro North payment	2,450
PILOT collections - other governments	<u>2,316,479</u>
Total deductions	<u>\$ 301,595,271</u>
Net changes in fiduciary net position	215,317
Net position, beginning of year	<u>593,122</u>
Net position, end of year	<u>\$ 808,439</u>

TOWN OF RAMAPO, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ramapo (the "Town"), which was established in 1791 and operates in accordance with Town Law and other general 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 States of America (GAAP) as applied 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 all 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 other 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

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) and contributions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

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, 2021 are as follows:

Operating costs	\$	570,808
Debt service costs		1,635,425
	\$	<u>2,206,233</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). 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 \$6,822,723 as of December 31, 2021. 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-fiduciary 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, are 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 (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues.

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 are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources fund balances, revenues and expenditures. 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 fiduciary 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, reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activity's column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

- a. 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 Town has the following 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.
 - 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.
 - Debt Service Fund – The Debt Service Fund is used to account for and report financial resourced 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.
 - 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Financial Statements (Continued)

a. Governmental Funds – (Continued)

The Town has the following non-major governmental funds.

- Special Revenue Funds – The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The following are the Town's special revenue funds:
 - Town Outside Villages Districts –The Town Outside Villages Districts is used to account for transactions which by statute effect 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.
 - 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 protections districts. The major revenues of this fund are real property taxes and departmental income.

b. 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.

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

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 generally considers revenues to be available if they are collected within sixty days after the 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 changes 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 the 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 measure focus but utilizes the accrual basis of accounting.

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

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

The Town's investments 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 authorized the use of 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, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities Deferred Inflows/Outflows of Resources and Net Position or Fund Balances (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 their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and Town subdivisions.

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 that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2021.

2. 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 the Town, Police, Highway, and Special Districts taxes from the total collection and returns the balance to Rockland County.
3. 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 \$372,706 is recorded in the Consolidate Ambulance District, which is part of the Special Districts Fund.
4. Interfund Transactions– During the course of its operations, the Town processes several transactions that effect 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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities Deferred Inflows/Outflows of Resources and Net Position or Fund Balances (Continued)

5. Prepaid Expenses/Items –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 non-spendable fund balance, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.
6. 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 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 the 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 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 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities Deferred Inflows/Outflows of Resources and Net Position or Fund Balances (Continued)

7. 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, land located at 301 Pomona Road, at \$2,040,585, the Town's carrying value at the time of the transfer. Management has evaluated the property's net realizable value and determined that no impairment was necessary for the year ended December 31, 2021.

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 485,000 square foot mixed-use development, including a hotel, retail and residential space. At the 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% profits on the buyer's resale of the property after return of the 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities Deferred Inflows/Outflows of Resources and Net Position or Fund Balances (Continued)

8. 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 outflows of resources. The 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 \$553,843 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.

9. Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term liabilities consist of bonds payable, compensated absences, claims and judgements 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 issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as Capital Projects Fund expenditures.

10. 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 earn the right to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Town and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The Town uses the vesting method to calculate the compensation 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities Deferred Inflows/Outflows of Resources and Net Position or Fund Balances (Continued)

11. Claims and Judgements Payable – The Internal Service Fund reflects workers' compensation and general liabilities which are based upon actuarial estimates of the ultimate cost 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 judgements 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.
12. 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 \$514,250 at December 31, 2021 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.
13. 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 (PFRS) (collectively, the "system"). Employees in the 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.
14. 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 which the Town has elected to participate.
15. Other Postemployment Benefits Liability – The Town recognizes in its financial statements that the impact of other postemployment benefits, principally employer funded health care costs. The impact of the Town's financial position and the results of the operations associated with other postemployment benefits is more fully disclosed in note 9.
16. 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 components.
 - Net investment in capital assets – The 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 improvement of those 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities Deferred Inflows/Outflows of Resources and Net Position or Fund Balances (Continued)

- Unrestricted Net Position – This category represents net position of the Town not restricted for any 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:

- Non-spendable – This category includes amounts that cannot be spent because they are either not in a spendable form (inventories, prepaid amounts, long term receivables) or they are legally or contractually required to remain intact (the corpus of a permanent fund).
- Restricted – This category is reported when constraints placed on the use of the resources are imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or 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 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 commitment.
- Assigned – This category represents amounts constrained only by the Town's intent to be used for a specific purpose but are not restricted or committed in any manner.
- Unassigned – This category represents the residual amount after all the other classifications have been established for the General Fund. Other governmental funds cannot report a positive 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 balances 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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:

In January 2022, the Town closed the sale of a parcel of vacant land for sales proceeds of \$5 million, which increased the general fund balance to more than \$7.5 million. The purchaser intends to develop the property as a commercial warehousing center thereby resulting in a significant increase to the Town's taxable assessed value.

I. Reclassifications:

Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. These reclassifications had no impact on net fund balance or net position. Included in these reclassifications are the reporting of capital leases and related capital assets as well as reclassifications of fund balance previously reported as assigned for special revenue funds that are required to be reported as restricted.

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:

- a) During August and September of each year, the various department heads and the Senior Supervisor develop a detailed preliminary budget for review by the Board.
- b) The Town Clerk presents the tentative budget to the Town Board at a regular or special Town Board meeting by October 5th.
- c) 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.
- d) The Town Board must then hold a public hearing by the Thursday following election day.
- e) 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.
- f) If required, transfers between appropriation amounts at the functional 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 encumbrance are re-appropriated in the succeeding year.

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

2. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

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 poverty taxes to the lower of the 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 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 (RCWMA) and the special districts based upon a single tax bill.

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 and Collection.

D. Fund Deficits

The following governmental funds reflect deficits at December 31, 2021:

Fund	Deficit Amount
Governmental Funds	
Police Fund	\$ 1,043,754
Proprietary Funds	
Workers' Compensation Internal Service Fund	7,249,832
General Liability Internal Service Fund	5,349,776
	<u>\$ 13,643,362</u>

The Worker's Compensation Fund and General Liability Fund deficits are attributable to the accrual of claims and judgements payable, including incurred but not reported claims, which will not 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 a surplus.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Due From/To other Funds

The balances reflected as due from/to other funds at December 31, 2021 were as follows:

Due from Other Funds	Due to Other Funds				Total
	General	Debt	Capital Projects	Non Major	
General	\$ -	\$ 45,000	\$ -	\$ -	\$ 45,000
Capital Projects	-	-	-	7,860	7,860
Non-Major Funds	9,066	-	-	58,550	67,616
Debt Service	-	-	718	-	718
Total	<u>\$ 9,066</u>	<u>\$ 45,000</u>	<u>\$ 718</u>	<u>\$ 66,410</u>	<u>\$ 121,194</u>

The outstanding balanced 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 money are available, but no later than the close of the fiscal year in which the advancement is made.

B. Interfund Transfers

Interfund transfers are defined as the flow of assets (such as cash or goods or 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, 2021 are as follows:

Transfers from Other Funds	Transfers to Other Funds			Total
	General	Police	Non Major Funds	
Debt Service	\$ 8,089,947	\$ 144,688	\$ 4,202,657	\$ 12,437,292
Corporation	<u>2,206,233</u>	-	-	<u>2,206,233</u>
Total	<u>\$ 10,296,180</u>	<u>\$ 144,688</u>	<u>\$ 4,202,657</u>	<u>\$ 14,643,525</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.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Interfund Revenues

The Town's General Fund charges certain governmental funds for direct costs incurred, including motor vehicle repairs and maintenance and gasoline, which approximated \$550,000. 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 the 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 2021, the General Fund charged the Town Outside Village, Police Fund and Special Districts approximately \$2.5 million.

4. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 is as follows:

	January 1, 2021 Balance	Additions	Disposals	December 31, 2021 Balance
Government Activities				
Capital assets that are not depreciated:				
Land	\$ 40,333,786	\$ -	\$ 638,247	\$ 39,695,539
Total non-depreciable cost	<u>40,333,786</u>	<u>-</u>	<u>638,247</u>	<u>39,695,539</u>
Capital assets that are depreciated:				
Land improvements	42,137,532	116,230	-	42,253,762
Buildings and improvements	72,064,167	196,747	-	72,260,914
Machinery and equipment	17,819,723	4,577,296	1,306,650	21,090,369
Infrastructure	<u>70,172,407</u>	<u>1,474,153</u>	<u>-</u>	<u>71,646,560</u>
Total depreciable historical cost	<u>202,193,829</u>	<u>6,364,426</u>	<u>1,306,650</u>	<u>207,251,605</u>
Less accumulated depreciation:				
Land improvements	(23,548,526)	(1,944,739)	-	(25,493,265)
Buildings and improvements	(25,787,418)	(1,490,029)	-	(27,277,447)
Machinery and equipment	(14,404,811)	(1,469,447)	(693,855)	(15,180,403)
Infrastructure	<u>(28,213,368)</u>	<u>(1,968,764)</u>	<u>-</u>	<u>(30,182,132)</u>
Total accumulated depreciation	<u>(91,954,123)</u>	<u>(6,872,979)</u>	<u>(693,855)</u>	<u>(98,133,247)</u>
Total capital assets being depreciated, net	<u>110,239,706</u>	<u>(508,553)</u>	<u>612,795</u>	<u>109,118,358</u>
Total cost, net	<u>\$ 150,573,492</u>	<u>\$ (508,553)</u>	<u>\$ 1,251,042</u>	<u>\$ 148,813,897</u>

4. CAPITAL ASSETS (Continued)

	January 1, 2021 Balance	Additions	Disposals	December 31, 2021 Balance
Business activities:				
Capital assets that are depreciated:				
Land improvements	\$ 5,674,882	\$ -	\$ -	\$ 5,674,882
Buildings	26,837,206	-	-	26,837,206
Machinery and equipment	4,279,800	22,421	-	4,302,221
Total depreciable historical cost	<u>36,791,888</u>	<u>22,421</u>	<u>-</u>	<u>36,814,309</u>
Less accumulated depreciation:				
Land improvements	(1,369,712)	-	-	(1,369,712)
Buildings	(5,970,972)	(1,199,303)	-	(7,170,275)
Machinery and equipment	(3,167,142)	-	-	(3,167,142)
Total accumulated depreciation	<u>(10,507,826)</u>	<u>(1,199,303)</u>	<u>-</u>	<u>(11,707,129)</u>
Total capital assets being depreciated, net	<u>26,284,062</u>	<u>(1,176,882)</u>	<u>-</u>	<u>25,107,180</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 cost, net	<u>\$ 34,622,109</u>	<u>\$ (1,176,882)</u>	<u>\$ -</u>	<u>\$ 33,445,227</u>

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

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

General government support	\$ 406,685
Public safety	415,469
Transportation	1,969,702
Culture and recreation	3,425,961
Home and community services	<u>655,162</u>
Total depreciation expense	<u>\$ 6,872,979</u>

5. CAPITAL LEASES

The Town entered various equipment lease agreements to finance the acquisition of equipment. The amount financed was \$1,297,567 and is to be repaid over five years through 2026. The ending principal was \$951,567 at December 31, 2021.

The Town entered into a Fleet Management Master Equity Lease Agreement with Enterprise Fleet Management Inc. At December 31, 2021, the principal amount outstanding was \$1,955,529. The interest rates for the vehicles vary based on the rate at the time of acquisition.

Future principal and interest payments for the Town under these capital leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,			
2022	\$ 998,647	\$ 137,484	\$ 1,136,131
2023	955,890	127,314	1,083,204
2024	514,939	45,699	560,638
2025	310,595	24,192	334,787
2026	<u>127,025</u>	<u>3,755</u>	<u>130,780</u>
	<u>\$ 2,907,096</u>	<u>\$ 338,444</u>	<u>\$ 3,245,540</u>

Equipment under these capital leases have been reported in the capital assets at December 31, 2021 as follows:

	<u>Asset Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Machinery and equipment	<u>\$ 3,640,580</u>	<u>\$ 728,116</u>	<u>\$ 2,912,464</u>

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 issue 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 were as follows:

Purpose	Issue Date	Interest Rate	Original Issue Amount	Balance January 1, 2021	Issued	Redemptions	Balance December 31, 2021
Capital Projects Fund							
4th St. Bridge Project	September 2019	2.65%	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -
Various Town Projects	April 2021	0.98%	1,755,000	-	1,755,000	-	1,755,000
License Plate Reader	March 2021	0.98%	1,350,000	-	1,350,000	-	1,350,000
				<u>\$ 1,200,000</u>	<u>\$ 3,105,000</u>	<u>\$ 1,200,000</u>	<u>\$ 3,105,000</u>

7. LONG-TERM LIABILITIES

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

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Long-term debt					
Bonds payable	\$ 76,865,000	\$ 24,715,000	\$ 27,135,000	\$ 74,445,000	\$ 9,380,000
Plus unamortized premium on bonds	<u>106,981</u>	<u>757,477</u>	<u>28,451</u>	<u>836,007</u>	<u>28,451</u>
	76,971,981	25,472,477	27,163,451	75,281,007	9,408,451
Capital leases payable					
Equipment	\$ 394,828	\$ 709,104	\$ 152,365	\$ 951,567	\$ 259,514
Vehicles	<u>1,356,072</u>	<u>1,180,577</u>	<u>581,120</u>	<u>1,955,529</u>	<u>739,133</u>
	1,750,900	1,889,681	733,485	2,907,096	998,647
Other noncurrent liabilities					
Compensated absences	4,519,588	-	440,832	4,078,756	407,876
Claims and judgments payable	13,897,514	2,521,604	2,176,680	14,242,438	1,532,704
Landfill closure costs	957,281	-	314,468	642,813	128,563
Net pension liability	37,681,078	-	30,435,730	7,245,348	-
Retirement incentives and other pension obligations payable	14,400,419	1,231,312	2,824,354	12,807,377	2,914,332
Other postemployment benefits liability	<u>251,377,773</u>	<u>19,961,223</u>	<u>6,474,888</u>	<u>264,864,108</u>	<u>-</u>
Total other noncurrent liabilities	<u>322,833,653</u>	<u>23,714,139</u>	<u>42,666,952</u>	<u>303,880,840</u>	<u>4,983,475</u>
Total governmental activities	<u>\$401,556,534</u>	<u>\$ 51,076,297</u>	<u>\$ 70,563,888</u>	<u>\$382,068,943</u>	<u>\$ 15,390,573</u>

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

Business-Type Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 21,170,000	\$ -	\$ 625,000	\$ 20,545,000	\$ 645,000
Plus unamortized premium on bonds	<u>1,805,821</u>	<u>-</u>	<u>85,991</u>	<u>1,719,830</u>	<u>85,991</u>
Total business-type activities	<u>\$ 22,975,821</u>	<u>\$ -</u>	<u>\$ 710,991</u>	<u>\$ 22,264,830</u>	<u>\$ 730,991</u>

7. LONG-TERM LIABILITIES (Continued)

Each governmental fund's liability for compensated absences, claims and judgements payable, landfill closure costs, net pension liability, retirement incentives, and other pension obligations payable and other post-employment benefit obligation 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.

A. Bonds Payable

Bonds payable at December 31, 2021 are comprised of the following individual issues:

<u>Purpose</u>	<u>Original</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial Bonds:					
Public Improvements (Series B)	\$ 15,000,000	2008	2023	4.500% - 5.625%	\$ 2,755,000
Public Improvements (Series A)	12,000,000	2010	2022	2.000% - 3.000%	1,140,000
Public Improvements (Series A)	19,330,000	2012	2025	2.000% - 3.000%	13,305,000
Public Improvements (Series A)	1,000,000	2013	2028	2.000% - 3.500%	515,000
Refunding (Series A)	11,245,000	2013	2034	2.000% - 5.000%	4,075,000
Public Improvements (Series A)	2,495,000	2014	2024	4.000%	855,000
Public Improvements (Series B)	33,345,000	2015	2028	3.000% - 4.125%	20,060,000
Public Improvements (Series B)	5,000,000	2015	2026	3.000% - 5.000%	2,510,000
Refunding	8,440,000	2015	2026	2.000% - 3.750%	4,165,000
Public Improvements (Series B)	17,275,000	2021	2036	2.000%	17,230,000
Public Improvements (Series A)	7,440,000	2021	2041	2.000% - 4.000%	7,440,000
New York Environmental Facilities Corporation Bonds:					
Public Improvements Refunding Bonds	230,000	2015	2034	3.529% - 4.129%	75,000
Torne Valley Refunding Bonds	440,000	2015	2034	3.808% - 4.569%	320,000
					<u>\$ 74,445,000</u>

Interest at December 31, 2021 was as follows:

Interest paid - long-term debt	\$ 3,067,451
Less: Interest accrued in the prior year	(640,797)
Amortization on bond premiums	33,243
Plus: Interest accrued in the current year	<u>438,962</u>
Total expense	<u>\$ 2,898,859</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,			
2022	\$ 9,380,000	\$ 2,237,509	\$ 11,617,509
2023	8,540,000	1,928,305	10,468,305
2024	7,360,000	1,636,282	8,996,282
2025	7,325,000	1,407,935	8,732,935
2026	7,600,000	1,157,361	8,757,361
2027 through 2031	21,990,000	2,991,838	24,981,838
2032 through 2036	10,000,000	902,932	10,902,932
2032 through 2041	2,250,000	155,427	2,405,427
	<u>\$ 74,445,000</u>	<u>\$ 12,417,589</u>	<u>\$ 86,862,589</u>

7. LONG-TERM LIABILITIES (Continued)

The Corporation's bonds payable at December 31, 2021 was comprised of the following issuance:

<u>Purpose</u>	<u>Original</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Baseball Stadium - Refunding Bonds	\$ 25,000,000	2013	2041	2.000%-5.000%	\$ 20,545,000

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,			
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	755,000	872,625	1,627,625
2027 through 2031	4,370,000	3,743,750	8,113,750
2032 through 2036	5,585,000	2,505,625	8,090,625
2037 through 2041	7,120,000	924,250	8,044,250
	<u>\$ 20,545,000</u>	<u>\$ 11,863,475</u>	<u>\$ 32,408,475</u>

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

B. Claims and Judgements 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 judgements 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 judgements liability incurred is based on an analysis based on historical trends.

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

7. LONG-TERM LIABILITIES (Continued)

B. Claims and Judgements Payable (Continued)

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

	2021			(Unaudited) 2020		
	Workers' Compensation Benefits	General Liability Claims	Total	Workers' Compensation Benefits	General Liability Claims	Total
Balance, January 1,	\$10,435,314	\$ 3,462,200	\$13,897,514	\$11,288,361	\$ 3,496,500	\$14,784,861
Provision for claims and claims adjustment expenses paid	(793,661)	3,315,265	2,521,604	349,244	-	349,244
Less claims and claims adjustment expenses paid	<u>(810,490)</u>	<u>(1,366,190)</u>	<u>(2,176,680)</u>	<u>(1,202,291)</u>	<u>(34,300)</u>	<u>(1,236,591)</u>
Balance, December 31,	<u>\$ 8,831,163</u>	<u>\$ 5,411,275</u>	<u>\$14,242,438</u>	<u>\$10,435,314</u>	<u>\$ 3,462,200</u>	<u>\$13,897,514</u>

8. PENSION PLANS

A. Plan Description and Benefits Provided

The Towns participates in the New York State and Local Employees Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as 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 (Funds), which was established to hold all net assets and record changes in plan net position allocated in 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 changes 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. The 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.

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.

8. PENSION PLANS (Continued)

B. Contributions (Continued)

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, 2021 was approximately 16.4% and 28.7% of payroll, respectively. Under the authority of 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 31st.

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>
2021	\$ 3,665,964	\$ 6,693,553
2020	\$ 3,573,440	\$ 6,665,990
2019	\$ 3,521,907	\$ 6,655,373

C. Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported a liability of \$7,245,348 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, 2021, 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 the projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all the participating members, actuarially determined.

At December 21, 2021 the Town's portion was 0.0573561% in the Employee Retirement System and 0.4140031% in the Police and Fire Retirement System.

For the year ended December 31, 2021 the Town recognized pension expense of \$8,668,307.

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, 2021, 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	\$ 697,489	\$ -	\$ 1,595,031	\$ -
Changes of Assumptions	10,501,009	198,052	17,660,710	-
Net difference between projected and actual earnings on pension plan investments	-	16,405,858	-	21,136,574
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	892,222	497,275	2,050,566	225,980
Contributions subsequent to the measurement date	2,961,652	-	5,699,917	-
Total	<u>\$ 15,052,372</u>	<u>\$ 17,101,185</u>	<u>\$ 27,006,224</u>	<u>\$ 21,362,554</u>

Town contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS	Total
Plan's Year Ending March 31,			
2022	\$ (779,149)	\$ (177,412)	\$ (956,561)
2023	(244,769)	427,109	182,340
2024	(838,784)	(403,188)	(1,241,972)
2025	(3,147,760)	(3,524,288)	(6,672,048)
2026	-	3,621,529	3,621,529
Thereafter	-	-	-
Total	<u>\$ (5,010,462)</u>	<u>\$ (56,250)</u>	<u>\$ (5,066,712)</u>

8. PENSION PLANS (Continued)

D. Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. Significant actuarial assumptions used in the valuation were as follows.

Actuarial Cost method	Entry Age Actuarial Cost Method
Inflation rate	2.7 percent
Salary Scale	
ERS	4.4 percent, indexed by service
PFRS	6.2 percent, indexed by service
Investment rate of return, including inflation	5.9 percent, compounded annually, net of expenses, including inflation
Cost of Living Adjustments	1.4 percent
Decrement	Based on FY 2015-2020 experience
Mortality	Society of Actuaries' Scale MP-2020

Annuitant mortality rates are based on the April 1, 2015 to March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

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 combines 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 allocations as of March 31, 2021 are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic portfolio / ARS	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed Income	23.00%	0.00%
Cash	<u>1.00%</u>	0.50%
	<u>100.00%</u>	

8. PENSION PLANS (Continued)

E. Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 5.9%, 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 (4.9%)	Current Discount (5.9%)	1% Decrease (6.9%)
\$ 15,852,013	\$ 57,112	\$ (14,509,484)

PFRS		
1% Decrease (4.9%)	Current Discount (5.9%)	1% Decrease (6.9%)
\$ 30,568,429	\$ 7,188,236	\$ (12,164,522)

F. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	220,680,157	41,236,775	261,916,932
Plan net position	\$ (220,580,583)	\$ (39,500,500)	\$ (260,081,083)
Employers' net pension liability	<u>\$ 99,574</u>	<u>\$ 1,736,275</u>	<u>\$ 1,835,849</u>
Ratio of plan net position to the employers' total pension liability	-99.95%	-95.79%	-99.30%

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 the 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 amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate
- For subsequent fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

In 2015, the Town negotiated certain concessions with its Police and Benevolent Association for the new collective bargaining agreement with its police force members. As part of the negotiation, the Town entered into an agreement with the New York State and Local Retirement System (NYSLRS) to change its PFRS member benefits from section 38-1 benefits to section 38-e. Because of this agreement with NYSLRS, the increased benefits resulted in a past service credit cost liability of \$14,046,494 which will be repaid over 10 years. The current year cost and balance are reflected in the table below.

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

	Balance January 1, 2021	Current Year Deferral	Current Year Amortization	Balance December 31, 2021	Due Within One Year
Deferred retirement bill					
2021/22 ERS invoice	\$ -	\$ 341,930	\$ -	\$ 341,930	\$ 23,879
2020/21 ERS invoice	79,000	-	6,024	72,976	4,648
2019/20 ERS invoice	60,883	-	4,786	56,097	4,923
2018/19 ERS invoice	123,897	-	10,325	113,572	10,736
2017/18 ERS invoice	275,869	-	26,814	249,055	27,701
2016/17 ERS invoice	328,422	-	37,421	291,001	38,405
2015/16 ERS invoice	791,165	-	102,287	688,878	105,673
2014/15 ERS invoice	838,899	-	128,073	710,826	132,555
2013/14 ERS invoice	837,571	-	155,381	682,190	161,225
2012/13 ERS invoice	312,346	-	153,865	158,481	158,481
2011/12 ERS invoice	96,421	-	96,421	-	-
Total ERS retirement bill	3,744,473	341,930	721,397	3,365,006	668,226
2021/22 PFRS invoice					
2021/22 PFRS invoice	\$ -	\$ 889,382	\$ -	\$ 889,382	\$ 62,089
2020/21 PFRS invoice	366,432	-	27,941	338,491	28,320
2019/20 PFRS invoice	298,263	-	23,444	274,819	24,117
2018/19 PFRS invoice	354,625	-	29,550	325,075	30,730
2017/18 PFRS invoice	562,883	-	54,711	508,172	56,521
2016/17 PFRS invoice	364,710	-	41,556	323,154	42,648
2015/16 PFRS invoice	528,211	-	68,290	459,921	70,552
2014/15 PFRS invoice	822,604	-	125,586	697,018	129,981
2013/14 PFRS invoice	654,574	-	121,433	533,141	125,999
2012/13 PFRS invoice	281,483	-	138,662	142,821	142,821
2011/12 PFRS invoice	46,363	-	46,363	-	-
Total PFRS retirement bill	4,280,148	889,382	677,536	4,491,994	713,778
Total retirement bill	8,024,621	1,231,312	1,398,933	7,857,000	1,382,004
Past service cost liability PFRS	6,375,798	-	1,425,421	4,950,377	1,532,328
Total retirement incentives and other pension obligations	\$ 14,400,419	\$ 1,231,312	\$ 2,824,354	\$ 12,807,377	\$ 2,914,332

8. PENSION PLANS (Continued)

G. Retirement incentives and Other Pension Obligations (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,			
2022	\$ 2,914,332	\$ 608,824	\$ 3,523,156
2023	2,764,963	449,614	3,214,577
2024	2,924,848	289,633	3,214,481
2025	1,191,728	119,146	1,310,874
2026	897,759	80,192	977,951
2027 through 2031	1,770,501	134,051	1,904,552
2032 through 2034	<u>343,246</u>	<u>9,752</u>	<u>352,998</u>
	<u>\$ 12,807,377</u>	<u>\$ 1,691,212</u>	<u>\$ 14,498,589</u>

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.

There are no assets accumulated in a trust that meets the criteria of GASB 75, paragraph 4.

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 segregates 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, it as follows:

	<u>Active</u>	<u>Retirees</u>	<u>Total</u>
Male	226	190	416
Female	<u>71</u>	<u>69</u>	<u>140</u>
Total	<u>297</u>	<u>259</u>	<u>556</u>

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

At December 31, 2021. The Town reported a liability of \$264,864,108 for its OPEB liability in the governmental activities. The OPEB liability was measured as of January 1, 2021 by an actuarial valuation using census data information as of that date. For the year ended December 31, 2021 the Town recognized OPEB expense of \$16,712,615 in the governmental activities. At December 31, 2021, 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	\$ 43,141,763	\$ 6,615,256
Experience adjustment	<u>25,286</u>	<u>6,063,503</u>
	<u>\$ 43,167,049</u>	<u>\$ 12,678,759</u>

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,	
2022	\$ 6,363,405
2023	6,856,043
2024	7,368,262
2025	5,651,315
2026	2,009,314
Thereafter	<u>2,239,951</u>
Total	<u>\$ 30,488,290</u>

The total OPEB liability at December 31, 2021 was determined using the following actuarial assumptions:

Actuarial Cost method	Entry Age Actuarial Cost Method
Discount rate	2.03%, 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

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Disability rate	Age	Rate	
	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	Year	Pre-65 Rate	Post-65 Rate
	2020	7.500%	5.000%
	2021	7.000%	5.000%
	2022	6.500%	5.000%
	2023	6.000%	5.000%
	2024	5.500%	5.000%
	2025 and thereafter	5.000%	5.000%
Participation rate			
Participant salary increases	100% assumed participation rate		
Payroll growth rate	3.50% annually		
	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.

Changes in the OPEB liability are as follows:

January 1, 2021	\$ 251,377,773
Changes for the year	
Service cost	10,626,860
Change of assumptions	3,848,141
Difference between expected and actual experience	-
Interest	5,486,222
Benefit payments	<u>(6,474,888)</u>
Net changes	<u>13,486,335</u>
December 31, 2021	<u>\$ 264,864,108</u>

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The following presents the OPEB liability of the Plan as of December 31, 2021 using the current health care cost trend rates as well as what the OPEB liability would be if it were calculate using health care cost trend rates 1% lower or 1% higher than current rates:

	Healthcare		
	1%	Current	1%
	Decrease	Discount	Increase
	<u>(6.00%</u>	<u>(7.00%</u>	<u>(8.00%</u>
	<u>decreasing to</u>	<u>decreasing to</u>	<u>decreasing to</u>
	<u>4.00%)</u>	<u>5.00%)</u>	<u>6.00%)</u>
Total OPEB Liability	<u>\$ 218,259,513</u>	<u>\$ 264,864,108</u>	<u>\$ 325,950,920</u>

The following presents the OPEB liability of the Plan as of December 31, 2021 calculated using the current discount rate that is 1-percent-point lower or 1-percentage-point higher than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
	<u>(1.03%)</u>	<u>(2.03%)</u>	<u>(3.03%)</u>
Total OPEB Liability	<u>\$ 312,890,778</u>	<u>\$ 264,864,108</u>	<u>\$ 226,245,308</u>

10. FUND BALANCES

A summary of the Town's governmental fund balance as of December 31, 2021 is as follows:

	General Fund	Police	Debt Service	Capital Projects	Non-Major Funds	Total
Restricted:						
Debt service	\$ -	\$ -	\$ 829,730	\$ -	\$ -	\$ 829,730
Capital projects	-	-	-	10,669,222	-	10,669,222
Consolidated ambulance district	-	-	-	-	1,478,481	1,478,481
Consolidated sewer district	-	-	-	-	2,015,622	2,015,622
Street lighting district	-	-	-	-	1,881,752	1,881,752
Combined fire district	-	-	-	-	59,711	59,711
Combined highway district	-	-	-	-	230,469	230,469
Town outside village	-	-	-	-	734,827	734,827
Total Restricted	-	-	829,730	10,669,222	6,400,862	17,899,814
Unassigned:						
Consolidated water district - deficit fund balance	-	-	-	-	(58,305)	(58,305)
Consolidated refuse district - deficit fund balance	-	-	-	-	(377,557)	(377,557)
Police fund - deficit fund balance	-	(1,043,754)	-	-	-	(1,043,754)
Other	2,541,266	-	-	-	-	2,541,266
Total Unassigned	2,541,266	(1,043,754)	-	-	(435,862)	1,061,650
Total fund balances	\$ 2,541,266	\$ (1,043,754)	\$ 829,730	\$ 10,669,222	\$ 5,965,000	\$ 18,961,464

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 (RCS D) to resolve a financial dispute 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, 2021 the Town paid \$40,000 toward the project. A corresponding accrued liability in the amount of \$320,000 has been recorded at December 31, 2021.

In March 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.

11. COMMITMENTS AND CONTINGENCIES (Continued)

A. Litigation and Contingencies (Continued)

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, 2021.

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 paid. If no single amount in the estimated range is more likely to be paid, the Town accrues the lowest amount in the range. The Town's other claims liability totals \$721,700 at December 31, 2021 and is recorded in the General Liability Internal Service Fund.

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 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 on Lieu of tax (PILOT) agreements. Information relevant to the disclosure of these property tax abatement agreements for the year ended December 31, 2021 is as follows:

Property Owner	Taxable Assessed Value	Tax Rate per 000	Tax Value	PILOT Received	Taxes Abated
Avon	\$ 6,463,800	\$ 14.2114	\$ 91,860	\$ 21,908	\$ 69,952
244 North Main Street	594,000	14.2114	8,442	8,880	(438)
Youngblood Housing	423,000	14.2114	6,011	1,433	4,578
Snedden Place	2,050,000	14.2114	29,133	13,022	16,111
Spring Valley Site III	880,000	14.2114	12,506	1,530	10,976
Spring Valley Site IV	2,000,000	14.2114	28,423	2,000	26,423
Esther Dashew - FLG Companies	1,118,700	14.2114	15,898	5,667	10,231
Empire Executive Inn	1,057,000	43.5911	46,076	37,009	9,067
Stef Two Realty	2,348,000	43.5911	102,352	89,296	13,056
Raymour & Flanigan	4,850,000	43.5911	211,417	165,845	45,572
Millennium Pipeline	3,862,717	60.1378	232,295	38,347	193,948
Liptis Holding	400,000	43.5911	17,436	12,043	5,393
Wilson Avenue	2,100,000	43.5911	91,541	29,077	62,464
Fountainview	4,480,515	60.1378	269,448	84,490	184,958
Montebello Commons	2,300,000	11.2890	25,965	1,727	24,238
Schoolhouse Road Estates	1,022,635	11.2890	11,545	45,769	(34,224)
Spook Rock United Elderly I, II & III	2,500,000	60.1378	150,345	6,963	143,382
Ramapo Housing Authority	2,345,000	43.5911	102,221	3,457	98,764
Spring Valley Housing Authority	2,854,500	14.2114	40,566	-	40,566
Orange Avenue Apartments	2,860,000	14.2114	40,645	4,627	36,018
Oakwood Housing	456,000	43.5911	19,878	2,500	17,378
	<u>\$ 46,965,867</u>		<u>\$ 1,554,002</u>	<u>\$ 575,590</u>	<u>\$ 978,412</u>

11. COMMITMENTS AND CONTINGENCIES (Continued)

D. Corporation Commitments

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

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

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 established 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, the lessee is required to recognize the 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.

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 issuer 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 obligation, 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 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 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, 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.

12. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (Continued)

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 relating 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 PPP's 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 feed 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 services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

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 the SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset as 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 post-employment 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 as same as the appointment of a voting majority of a governing board if the 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 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.

12. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (Continued)

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 governing board be treated the same as the appointment of a voting majority of a governing board be treated the same as the appointment of a voting majority of a government board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods 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.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 21,121,780	\$ 21,121,780	\$ 21,267,192	\$ 145,412
Other tax items	710,000	710,000	820,466	110,466
Nonproperty tax items	2,300,000	2,300,000	2,721,015	421,015
Departmental income	7,622,500	7,622,500	6,268,141	(1,354,359)
Use of money and property	330,000	330,000	404,864	74,864
Licenses and permits	2,000	2,000	5,581	3,581
Fines and forfeitures	1,300,000	1,300,000	1,161,114	(138,886)
Sale of property and compensation for loss	4,000	4,000	235,863	231,863
Interfund revenue	2,860,000	2,860,000	3,066,357	206,357
State aid	3,900,000	3,900,000	6,037,383	2,137,383
Federal aid	-	-	1,504,996	1,504,996
Miscellaneous	-	-	58,510	58,510
Total revenues	<u>40,150,280</u>	<u>40,150,280</u>	<u>43,551,482</u>	<u>3,401,202</u>
EXPENDITURES:				
General governmental support	19,691,201	19,691,201	20,793,488	1,102,287
Public safety	182,000	182,000	246,013	64,013
Health	-	-	9,862	9,862
Transportation	246,737	246,737	235,162	(11,575)
Economic opportunity and development	473,300	473,300	1,715,440	1,242,140
Culture and recreation	8,489,257	8,489,257	7,671,515	(817,742)
Home and community services	435,449	435,449	312,614	(122,835)
Debt service -				
Principal	280,000	280,000	442,218	162,218
Interest	34,200	34,200	65,499	31,299
Total expenditures	<u>29,832,144</u>	<u>29,832,144</u>	<u>31,491,811</u>	<u>1,659,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,318,136</u>	<u>10,318,136</u>	<u>12,059,671</u>	<u>1,741,535</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(10,332,040)	(10,332,040)	(10,296,180)	35,860
Total other financing sources and uses	<u>(10,332,040)</u>	<u>(10,332,040)</u>	<u>(10,296,180)</u>	<u>35,860</u>
CHANGE IN FUND BALANCE	<u>(13,904)</u>	<u>(13,904)</u>	<u>1,763,491</u>	<u>1,777,395</u>
FUND BALANCE - beginning of year	<u>777,775</u>	<u>777,775</u>	<u>777,775</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 763,871</u>	<u>\$ 763,871</u>	<u>\$ 2,541,266</u>	<u>\$ 1,777,395</u>

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - POLICE FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Police Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES:				
Real property taxes	\$ 39,815,888	\$ 39,815,888	\$ 39,948,810	\$ 132,922
Other tax items	220,000	220,000	233,692	13,692
Departmental income	-	-	3,303	3,303
Intergovernmental charges	-	-	10,895	10,895
Use of money and property	125,000	125,000	5,095	(119,905)
Sale of property and compensation for loss	-	3,049	146,149	143,100
State aid	-	-	32,130	32,130
Federal aid	-	-	46,416	46,416
Miscellaneous	80,000	93,022	221,859	128,837
Total revenues	40,240,888	40,256,959	40,648,349	391,390
EXPENDITURES:				
General governmental support	-	-	-	-
Public safety	40,240,888	40,119,394	40,132,833	13,439
Debt service -				
Principal	137,749	-	189,407	189,407
Interest	25,345	-	24,625	24,625
Capital outlay	-	41,500	230,192	188,692
Total expenditures	40,403,982	40,160,894	40,577,057	416,163
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(163,094)	96,065	71,292	(24,773)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(163,094)	(144,688)	18,406
Total other financing sources and uses	-	(163,094)	(144,688)	18,406
CHANGE IN FUND BALANCE	(163,094)	(67,029)	(73,396)	(6,367)
FUND BALANCE - beginning of year	(970,358)	(970,358)	(970,358)	-
FUND BALANCE - end of year	\$ (1,133,452)	\$ (1,037,387)	\$ (1,043,754)	\$ (6,367)

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Last Ten Fiscal Years *	Last Ten Fiscal Years *	Last Ten Fiscal Years *	Last Ten Fiscal Years *
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 10,026,860	\$ 8,747,472	\$ 6,435,095	\$ 7,470,606
Interest	5,486,222	6,151,624	7,587,505	6,739,309
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(8,967,939)	-	-
Contributions from employer	-	-	-	-
Changes in assumptions	3,848,141	61,508,075	-	(18,853,752)
Benefit payments	<u>(6,474,888)</u>	<u>(5,941,166)</u>	<u>(5,482,832)</u>	<u>(4,870,359)</u>
Total change in total OPEB liability	12,886,335	61,498,066	8,539,768	(9,514,196)
OPEB Plan Fiduciary Position	-	-	-	-
Total OPEB liability - beginning	<u>251,377,773</u>	<u>189,879,707</u>	<u>181,339,939</u>	<u>190,854,135</u>
Total OPEB liability - ending	<u>\$ 264,264,108</u>	<u>\$ 251,377,773</u>	<u>\$ 189,879,707</u>	<u>\$ 181,339,939</u>
Covered payroll	\$ 31,636,721	\$ 30,865,093	\$ 34,374,994	\$ 33,536,580
Total OPEB liability as a percentage of covered-payroll	835.31%	814.44%	552.38%	540.72%
Notes to schedule:				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.03%	2.12%	4.10%	4.10%
Healthcare trend rate:				
Initial rate	7.50%	7.50%	7.50%	7.50%
Ultimate rate	5.00%	5.00%	5.00%	5.00%
Ultimate rate year	2025	2025	2025	2025

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Last 10 Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN								
Proportion of the net pension liability (asset)	0.0573561%	0.0681860%	0.0631953%	0.0676026%	0.0676387%	0.0724094%	0.0714912%	0.0714912%
Proportionate share of the net pension liability (asset)	\$ 57,112	\$ 16,105,120	\$ 4,477,577	\$ 2,181,836	\$ 6,355,486	\$ 11,621,912	\$ 2,415,148	\$ 3,230,588
Covered payroll	\$ 18,781,670	\$ 18,461,670	\$ 18,414,736	\$ 19,313,119	\$ 19,870,167	\$ 19,436,160	\$ 18,729,889	\$ 18,276,639
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.30%	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 (asset)	99.95%	96.27%	98.24%	94.70%	90.70%	97.95%		97.20%
 New York State and Local Police and Fire Retirement System								
Proportion of the net pension liability (asset)	0.4140031%	0.4036709%	0.4098125%	0.4471200%	0.4412901%	0.4504787%	0.4253619%	0.4253619%
Proportionate share of the net pension liability (asset)	\$ 7,188,236	\$ 21,575,958	\$ 6,872,814	\$ 4,515,173	\$ 9,146,409	\$ 13,337,715	\$ 1,170,849	\$ 1,770,822
Covered payroll	\$ 16,912,950	\$ 17,306,188	\$ 17,728,170	\$ 17,974,460	\$ 20,202,418	\$ 18,029,520	\$ 17,787,619	\$ 16,948,516
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	42.50%	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 (asset)	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%	99.03%	98.48%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF CONTRIBUTIONS - PENSION PLAN (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Last 10 Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
NEW YORK STATE EMPLOYEES' RETIREMENT								
Contractually required contribution	\$ 3,978,494	\$ 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	<u>3,978,494</u>	<u>3,573,440</u>	<u>3,521,907</u>	<u>3,620,226</u>	<u>3,545,488</u>	<u>3,243,464</u>	<u>3,530,832</u>	<u>3,244,108</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,781,670	\$ 18,461,670	\$ 18,414,736	\$ 19,313,119	\$ 19,870,167	\$ 19,436,160	\$ 18,729,889	\$ 18,276,369
Contributions as a percentage of covered payroll	21.18%	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	\$ 7,522,833	\$ 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	<u>7,522,833</u>	<u>6,665,990</u>	<u>6,655,373</u>	<u>6,563,826</u>	<u>6,899,880</u>	<u>6,095,546</u>	<u>4,473,420</u>	<u>3,776,621</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,912,950	\$ 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 payroll	44.48%	38.52%	37.54%	36.52%	34.15%	33.81%	25.15%	22.28%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

SUPPLEMENTARY INFORMATION

TOWN OF RAMAPO, NEW YORK

**COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Non-Major Funds			
	Town Outside Village District	Highway	Special Districts	Total Non-Major Funds
Cash and Cash equivalents	\$ 1,707,451	\$ 1,737,053	\$ 4,705,002	\$ 8,149,506
Accounts receivable	79,471	1,750	1,468,366	1,549,587
Due from other funds	680	-	66,936	67,616
Due from other governments	51,656	-	-	51,656
Total assets	<u>1,839,258</u>	<u>1,738,803</u>	<u>6,240,304</u>	<u>9,818,365</u>
LIABILITIES:				
Accounts payable and accrued liabilities	1,096,196	792,185	1,182,050	3,070,431
Due to other funds	8,235	-	58,175	66,410
Due to other governments	-	320,000	375	320,375
Unearned revenue	-	396,149	-	396,149
Total liabilities	<u>1,104,431</u>	<u>1,508,334</u>	<u>1,240,600</u>	<u>3,853,365</u>
FUND BALANCES (DEFICITS):				
Restricted	734,827	230,469	5,435,566	6,400,862
Unassigned	-	-	(435,862)	(435,862)
Total fund balance	<u>734,827</u>	<u>230,469</u>	<u>4,999,704</u>	<u>5,965,000</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,839,258</u>	<u>\$ 1,738,803</u>	<u>\$ 6,240,304</u>	<u>\$ 9,818,365</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF RAMAPO, NEW YORK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Non-Major Funds			
	Town Outside Village District	Highway	Special Districts	Total Non-Major Funds
REVENUES:				
Real property taxes	\$ 1,308,403	\$ 10,447,115	\$ 13,037,589	\$ 24,793,107
Other tax items	315,738	-	-	315,738
Departmental income	577,991	76,000	4,004,005	4,657,996
Intergovernmental charges	37,500	2,198,568	-	2,236,068
Use of money and property	118,692	1,193	4,742	124,627
Licenses and permits	1,634,911	46,550	-	1,681,461
Sale of property and compensation for loss	76,707	940	-	77,647
State aid	-	361,483	-	361,483
Federal aid	-	-	838,762	838,762
Miscellaneous	34,584	202,124	20,512	257,220
Total revenues	<u>4,104,526</u>	<u>13,333,973</u>	<u>17,905,610</u>	<u>35,344,109</u>
EXPENDITURES:				
Public safety	-	-	550,364	550,364
Health	-	-	9,176,615	9,176,615
Transportation	-	9,175,674	-	9,175,674
Home and community services	4,004,948	-	9,683,885	13,688,833
Debt service -				
Principal	46,902	289,706	45,251	381,859
Interest	11,169	52,448	10,683	74,300
Total expenditures	<u>4,063,019</u>	<u>9,517,828</u>	<u>19,466,798</u>	<u>33,047,645</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>41,507</u>	<u>3,816,145</u>	<u>(1,561,188)</u>	<u>2,296,464</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(36,236)	(3,860,000)	(306,421)	(4,202,657)
Total other financing sources and uses	<u>(36,236)</u>	<u>(3,860,000)</u>	<u>(306,421)</u>	<u>(4,202,657)</u>
CHANGE IN FUND BALANCE	<u>5,271</u>	<u>(43,855)</u>	<u>(1,867,609)</u>	<u>(1,906,193)</u>
FUND BALANCE - beginning of year	<u>729,556</u>	<u>274,324</u>	<u>6,867,313</u>	<u>7,871,193</u>
FUND BALANCE - end of year	<u>\$ 734,827</u>	<u>\$ 230,469</u>	<u>\$ 4,999,704</u>	<u>\$ 5,965,000</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF RAMAPO, NEW YORK

**COMBINING BALANCE SHEET - SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Highway Fund Town Wide	Highway Fund Town outside Village	Total Highway Fund
Cash and Cash equivalents	\$ 350,747	\$ 1,386,306	\$ 1,737,053
Accounts receivable	<u>-</u>	<u>1,750</u>	<u>1,750</u>
Total assets	<u>350,747</u>	<u>1,388,056</u>	<u>1,738,803</u>
LIABILITIES:			
Accounts payable and accrued liabilities	200,820	591,365	792,185
Due to other governments	-	320,000	320,000
Unearned revenue	<u>-</u>	<u>396,149</u>	<u>396,149</u>
Total liabilities	<u>200,820</u>	<u>1,307,514</u>	<u>1,508,334</u>
FUND BALANCES (DEFICITS):			
Restricted	<u>149,927</u>	<u>80,542</u>	<u>230,469</u>
Total fund balance	<u>149,927</u>	<u>80,542</u>	<u>230,469</u>
Total liabilities and fund balances (deficits)	<u>\$ 350,747</u>	<u>\$ 1,388,056</u>	<u>\$ 1,738,803</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF RAMAPO, NEW YORK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Highway Fund Town Wide	Highway Fund Town outside Village	Total Highway Fund
REVENUES:			
Real property taxes	\$ 2,440,364	\$ 8,006,751	\$ 10,447,115
Departmental income	-	76,000	76,000
Intergovernmental charges	134,568	2,064,000	2,198,568
Use of money and property	152	1,041	1,193
Licenses and permits	-	46,550	46,550
Sale of property and compensation for loss	940	-	940
State aid	-	361,483	361,483
Miscellaneous	135,480	66,644	202,124
Total revenues	<u>2,711,504</u>	<u>10,622,469</u>	<u>13,333,973</u>
EXPENDITURES:			
Transportation	2,396,719	6,778,955	9,175,674
Principal	-	289,706	289,706
Interest	-	52,448	52,448
Total expenditures	<u>2,396,719</u>	<u>7,121,109</u>	<u>9,517,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>314,785</u>	<u>3,501,360</u>	<u>3,816,145</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(3,860,000)	(3,860,000)
Total other financing sources and uses	<u>-</u>	<u>(3,860,000)</u>	<u>(3,860,000)</u>
CHANGE IN FUND BALANCE	<u>314,785</u>	<u>(358,640)</u>	<u>(43,855)</u>
FUND BALANCE - beginning of year	<u>(164,858)</u>	<u>439,182</u>	<u>274,324</u>
FUND BALANCE - end of year	<u>\$ 149,927</u>	<u>\$ 80,542</u>	<u>\$ 230,469</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF RAMAPO, NEW YORK

COMBINING BALANCE SHEET - SPECIAL REVENUE FUND - SPECIAL DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting Districts	Refuse and Garbage District	Fire Protection Districts	Total Special Districts Fund
Cash and Cash equivalents	\$ -	\$ 507,801	\$ 2,188,875	\$ 1,940,091	\$ 66,699	\$ 1,536	\$ 4,705,002
Accounts receivable	-	1,468,366	-	-	-	-	1,468,366
Due from other funds	-	-	8,761	-	-	58,175	66,936
Total assets	-	1,976,167	2,197,636	1,940,091	66,699	59,711	6,240,304
LIABILITIES:							
Accounts payable and accrued liabilities	130	497,311	182,014	58,339	444,256	-	1,182,050
Due to other funds	58,175	-	-	-	-	-	58,175
Due to other governments	-	375	-	-	-	-	375
Total liabilities	58,305	497,686	182,014	58,339	444,256	-	1,240,600
FUND BALANCES (DEFICITS):							
Restricted	-	1,478,481	2,015,622	1,881,752	-	59,711	5,435,566
Unassigned	(58,305)	-	-	-	(377,557)	-	(435,862)
Total fund balance	(58,305)	1,478,481	2,015,622	1,881,752	(377,557)	59,711	4,999,704
Total liabilities and fund balances (deficits)	\$ -	\$ 1,976,167	\$ 2,197,636	\$ 1,940,091	\$ 66,699	\$ 59,711	\$ 6,240,304

TOWN OF RAMAPO, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
SPECIAL REVENUE FUND - SPECIAL DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Consolidated Water District	Consolidated Ambulance District	Sewer District	Street Lighting Districts	Refuse and Garbage District	Fire Protection Districts	Total Special Districts Fund
REVENUES:							
Real property taxes	\$ 1,684,052	\$ 4,626,106	\$ 1,935,401	\$ -	\$ 4,347,029	\$ 445,001	\$ 13,037,589
Departmental income	-	3,909,736	94,269	-	-	-	4,004,005
Use of money and property	959	-	787	1,561	1,435	-	4,742
Federal aid	-	838,762	-	-	-	-	838,762
Miscellaneous	-	454	-	18,980	-	1,078	20,512
Total revenues	1,685,011	9,375,058	2,030,457	20,541	4,348,464	446,079	17,905,610
EXPENDITURES:							
General governmental support	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	550,364	550,364
Health	-	9,176,615	-	-	-	-	9,176,615
Home and community services	2,769,737	-	2,331,812	266,936	4,315,400	-	9,683,885
Debt service -							
Principal	-	-	45,251	-	-	-	45,251
Interest	-	-	10,683	-	-	-	10,683
Total expenditures	2,769,737	9,176,615	2,387,746	266,936	4,315,400	550,364	19,466,798
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,084,726)	198,443	(357,289)	(246,395)	33,064	(104,285)	(1,561,188)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(306,421)	-	-	-	(306,421)
Total other financing sources and uses	-	-	(306,421)	-	-	-	(306,421)
CHANGE IN FUND BALANCE	(1,084,726)	198,443	(663,710)	(246,395)	33,064	(104,285)	(1,867,609)
FUND BALANCE - beginning of year	1,026,421	1,280,038	2,679,332	2,128,147	(410,621)	163,996	6,867,313
FUND BALANCE - end of year	\$ (58,305)	\$ 1,478,481	\$ 2,015,622	\$ 1,881,752	\$ (377,557)	\$ 59,711	\$ 4,999,704

TOWN OF RAMAPO, NEW YORK

**COMBINING BALANCE SHEET - SPECIAL REVENUE FUND - FIRE PROTECTION DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Ramapo #1	Ramapo #2	Ramapo #3	Ramapo #4	Ramapo #5	Johnsontown Road	Park Crest	Total Fire Protection Districts Fund
Cash and Cash equivalents	\$ 798	\$ 178	\$ 1	\$ 273	\$ 245	\$ 41	\$ -	\$ 1,536
Due from other funds	-	-	27,497	30,678	-	-	-	58,175
Total assets	<u>798</u>	<u>178</u>	<u>27,498</u>	<u>30,951</u>	<u>245</u>	<u>41</u>	<u>-</u>	<u>59,711</u>
FUND BALANCES (DEFICITS):								
Restricted	<u>798</u>	<u>178</u>	<u>27,498</u>	<u>30,951</u>	<u>245</u>	<u>41</u>	<u>-</u>	<u>59,711</u>
Total fund balance	<u>798</u>	<u>178</u>	<u>27,498</u>	<u>30,951</u>	<u>245</u>	<u>41</u>	<u>-</u>	<u>59,711</u>
Total fund balances (deficits)	<u>\$ 798</u>	<u>\$ 178</u>	<u>\$ 27,498</u>	<u>\$ 30,951</u>	<u>\$ 245</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 59,711</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF RAMAPO, NEW YORK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
SPECIAL REVENUE FUND - FIRE PROTECTION DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Ramapo #1	Ramapo #2	Ramapo #3	Ramapo #4	Ramapo #5	Johnsontown Road	Park Crest	Total Fire Protection Districts Fund
REVENUES:								
Real property taxes	\$ 141,551	\$ 198,500	\$ 1,078	\$ -	\$ 91,000	\$ 8,000	\$ 5,950	\$ 446,079
EXPENDITURES:								
Public safety	120,857	198,500	103,500	25,000	70,745	8,000	23,762	550,364
CHANGE IN FUND BALANCE	20,694	-	(102,422)	(25,000)	20,255	-	(17,812)	(104,285)
FUND BALANCE - beginning of year	(19,896)	178	129,920	55,951	(20,010)	41	17,812	163,996
FUND BALANCE - end of year	\$ 798	\$ 178	\$ 27,498	\$ 30,951	\$ 245	\$ 41	\$ -	\$ 59,711

The accompanying notes are an integral part of this supplementary information.

TOWN OF RAMAPO, NEW YORK

**COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,627,026	\$ 73,659	\$ 1,700,685
Prepaid expense	<u>86,600</u>	<u>-</u>	<u>86,600</u>
Total assets	<u>\$ 1,713,626</u>	<u>\$ 73,659</u>	<u>\$ 1,787,285</u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses	132,295	12,160	144,455
Claims payable, current	846,050	-	846,050
Judgments payable, current	<u>-</u>	<u>686,654</u>	<u>686,654</u>
Total current liabilities	<u>\$ 978,345</u>	<u>\$ 698,814</u>	<u>\$ 1,677,159</u>
NONCURRENT LIABILITIES			
Claims payable, net of current	7,985,113	-	7,985,113
Judgments payable, net of current	<u>-</u>	<u>4,724,621</u>	<u>4,724,621</u>
Total non current liabilities	<u>\$ 7,985,113</u>	<u>\$ 4,724,621</u>	<u>\$ 12,709,734</u>
NET POSITION			
Unrestricted	<u>(7,249,832)</u>	<u>(5,349,776)</u>	<u>(12,599,608)</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS - FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,494,000	\$ -	\$ 1,494,000
Insurance recoveries	<u>310,986</u>	<u>-</u>	<u>310,986</u>
Total operating revenues	<u>1,804,986</u>	<u>-</u>	<u>1,804,986</u>
OPERATING EXPENSES			
General and administrative	296,782	-	296,782
Claims	<u>(299,401)</u>	<u>1,949,075</u>	<u>1,649,674</u>
Total operating expenses	<u>(2,619)</u>	<u>1,949,075</u>	<u>1,946,456</u>
Operating income	<u>1,807,605</u>	<u>(1,949,075)</u>	<u>(141,470)</u>
NONOPERATING REVENUES			
Interest income	<u>1,461</u>	<u>16</u>	<u>1,477</u>
CHANGES IN NET POSITION	<u>1,809,066</u>	<u>(1,949,059)</u>	<u>(139,993)</u>
NET POSITION - beginning of year	<u>(9,058,898)</u>	<u>(3,400,717)</u>	<u>(12,459,615)</u>
NET POSITION - end of year	<u>\$ (7,249,832)</u>	<u>\$ (5,349,776)</u>	<u>\$ (12,599,608)</u>

The accompanying notes are an integral part of these statements.

TOWN OF RAMAPO, NEW YORK

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from providing services and insurance recoveries	\$ 1,804,986	\$ -	\$ 1,804,986
Cash paid for contractual expenses	<u>(1,506,304)</u>	<u>-</u>	<u>(1,506,304)</u>
Net cash provided (used) by operating activities	<u>298,682</u>	<u>-</u>	<u>298,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received	<u>1,461</u>	<u>16</u>	<u>1,477</u>
Net increase in cash and cash equivalents	<u>300,143</u>	<u>16</u>	<u>300,159</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,326,883</u>	<u>73,643</u>	<u>1,400,526</u>
CASH AND CASH EQUIVALENTS, end of year	<u>1,627,026</u>	<u>73,659</u>	<u>1,700,685</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	1,807,605	(1,949,075)	(141,470)
Changes in assets and liabilities			
Accounts payable and accrued expenses	95,228	-	95,228
Claims and judgment payable	<u>(1,604,151)</u>	<u>1,949,075</u>	<u>344,924</u>
Net cash provided (used) by operating activities	<u>\$ 298,682</u>	<u>\$ -</u>	<u>\$ 298,682</u>

The accompanying notes are an integral part of these statements.

OTHER INFORMATION

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - TOWN OUTSIDE VILLAGES FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Town Outside Villages Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 1,304,743	\$ 1,304,743	\$ 1,308,403	\$ 3,660
Other tax items	340,000	340,000	315,738	(24,262)
Departmental income	535,000	535,000	577,991	42,991
Intergovernmental charges	45,000	45,000	37,500	(7,500)
Use of money and property	150,000	150,000	118,692	(31,308)
Licenses and permits	1,250,000	1,250,000	1,634,911	384,911
Sale of property and compensation for loss	85,000	85,000	76,707	(8,293)
Miscellaneous	28,000	28,000	34,584	6,584
Total revenues	<u>3,737,743</u>	<u>3,737,743</u>	<u>4,104,526</u>	<u>366,783</u>
EXPENDITURES:				
Home and community services	3,937,743	3,901,865	4,004,948	103,083
Debt service -				
Principal	-	-	46,902	46,902
Interest	-	-	11,169	11,169
Total expenditures	<u>3,937,743</u>	<u>3,901,865</u>	<u>4,063,019</u>	<u>161,154</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(200,000)</u>	<u>(164,122)</u>	<u>41,507</u>	<u>205,629</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(35,878)	(35,878)	(36,236)	(358)
Total other financing sources and uses	<u>(35,878)</u>	<u>(35,878)</u>	<u>(36,236)</u>	<u>(358)</u>
CHANGE IN FUND BALANCE	<u>(235,878)</u>	<u>(200,000)</u>	<u>5,271</u>	<u>205,271</u>
FUND BALANCE - beginning of year	<u>729,556</u>	<u>729,556</u>	<u>729,556</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 493,678</u>	<u>\$ 529,556</u>	<u>\$ 734,827</u>	<u>\$ 205,271</u>

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - HIGHWAY FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 10,447,031	\$ 10,447,031	\$ 10,447,115	\$ 84
Departmental income	-	-	76,000	76,000
Intergovernmental charges	2,114,000	2,114,000	2,198,568	84,568
Use of money and property	35,000	35,000	1,193	(33,807)
Sale of property and compensation for loss	-	-	940	940
Licenses and permits	40,000	40,000	46,550	6,550
State aid	230,000	230,000	361,483	131,483
Miscellaneous	-	-	202,124	202,124
Total revenues	<u>12,866,031</u>	<u>12,866,031</u>	<u>13,333,973</u>	<u>467,942</u>
EXPENDITURES:				
Transportation	9,105,368	9,105,368	9,175,674	70,306
Debt service -				
Principal	-	-	289,706	289,706
Interest	-	-	52,448	52,448
Capital outlay	-	-	-	-
Total expenditures	<u>9,105,368</u>	<u>9,105,368</u>	<u>9,517,828</u>	<u>412,460</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,760,663</u>	<u>3,760,663</u>	<u>3,816,145</u>	<u>55,482</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(3,860,663)	(3,860,663)	(3,860,000)	663
Total other financing sources and uses	<u>(3,860,663)</u>	<u>(3,860,663)</u>	<u>(3,860,000)</u>	<u>663</u>
CHANGE IN FUND BALANCE	<u>(100,000)</u>	<u>(100,000)</u>	<u>(43,855)</u>	<u>56,145</u>
FUND BALANCE - beginning of year	<u>274,324</u>	<u>274,324</u>	<u>274,324</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 174,324</u>	<u>\$ 174,324</u>	<u>\$ 230,469</u>	<u>\$ 56,145</u>

TOWN OF RAMAPO, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL DISTRICTS FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Districts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 13,014,511	\$ 13,014,511	\$ 13,037,589	\$ 23,078
Departmental income	5,210,000	5,210,000	4,004,005	(1,205,995)
Use of money and property	17,500	17,500	4,742	(12,758)
Federal aid	-	-	838,762	838,762
Miscellaneous	-	-	20,512	20,512
	<u>18,242,011</u>	<u>18,242,011</u>	<u>17,905,610</u>	<u>(336,401)</u>
EXPENDITURES:				
Public safety	573,500	573,500	550,364	(23,136)
Health	9,736,100	9,736,100	9,176,615	(559,485)
Home and community services	9,284,885	9,284,885	9,683,885	399,000
Debt service -				
Principal	-	-	45,251	45,251
Interest	-	-	10,683	10,683
Capital outlay	-	-	-	-
	<u>19,594,485</u>	<u>19,594,485</u>	<u>19,466,798</u>	<u>(127,687)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,352,474)</u>	<u>(1,352,474)</u>	<u>(1,561,188)</u>	<u>(208,714)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(306,607)	(306,607)	(306,421)	186
	<u>(306,607)</u>	<u>(306,607)</u>	<u>(306,421)</u>	<u>186</u>
CHANGE IN FUND BALANCE	<u>(1,659,081)</u>	<u>(1,659,081)</u>	<u>(1,867,609)</u>	<u>(208,528)</u>
FUND BALANCE - beginning of year	<u>6,867,313</u>	<u>6,867,313</u>	<u>6,867,313</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 5,208,232</u>	<u>\$ 5,208,232</u>	<u>\$ 4,999,704</u>	<u>\$ (208,528)</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 19, 2022

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ramapo, New York (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 19, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.