

VILLAGE OF STAMFORD
GENERAL PURPOSE FINANCIAL
STATEMENTS – STATUTORY BASIS

Year Ended May 31, 2015

VILLAGE OF STAMFORD

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4 Associate Drive
Oneonta, New York 13820
Phone: (607) 432-8700
Fax: (607) 432-5122
www.mmscpas.com



MOSTERT, MANZANERO & SCOTT, LLP
Certified Public Accountants

Deborah L. Mostert, CPA
Anthony T. Manzanero, CPA
Dennis J. Scott, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Village of Stamford
Stamford, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Stamford (the "Village"), which comprise of the statutory combined balance sheets as of May 31, 2015, and the related statutory combined statement of revenues, expenditures, and changes in fund balances for the year then ended, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Office of the Comptroller of the State of New York; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B, the financial statements are prepared by the Village on the basis of the financial reporting provisions of the Office of the Comptroller of the State of New York, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to comply with the requirements of the Office of the Comptroller of the State of New York. The effects on the financial statements of the variances between the statutory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America; although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of May 31, 2015, or the results of its operations or cash flows for the year then ended.

Basis for Qualified Opinion on Statutory Basis of Accounting

As described in Note 1B to the financial statements, the accompanying financial statements do not include a non-current governmental assets account group. The effect of this departure on the general purpose financial statements is not reasonably determinable.

Qualified Opinion on Statutory Basis of Accounting

In our opinion, except for the effect of the matter described above, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial statements of the Village as of May 31, 2015, in accordance with the financial reporting provisions of the Office of the Comptroller of the State of New York.

Other Matters

Required Supplemental Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omission.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Stamford's basic financial statements. The accompanying supplemental information on Pages 23 and 24 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information on Pages 23 and 24 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information on Pages 23 and 24 is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Mistert, Manzanero & Scott, LLP

Oneonta, New York
October 1, 2015

VILLAGE OF STAMFORD

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS -
STATUTORY BASIS

May 31, 2015

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
<u>ASSETS</u>			
Cash	\$ 501,579	\$ 473,181	\$ 317,983
Cash - Reserved	15,576	-	-
Taxes receivable	63,515	-	-
Due from other funds	5,234	-	-
Due from other governments	-	1,600	-
Other receivables	6,763	115,396	-
Prepaid expenses	21,831	24,868	2,295
Provisions to be made in future budgets	-	-	-
Total assets	<u>\$ 614,498</u>	<u>\$ 615,045</u>	<u>\$ 320,278</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 8,212	\$ 7,500	\$ 665
Due to other funds	14	5,234	-
Due to other governments	-	-	-
Bonds and long-term liabilities	-	-	-
Total liabilities	<u>8,226</u>	<u>12,734</u>	<u>665</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - Taxes	63,515	-	-
Advances O & M grants	-	119,830	-
Total deferred inflows of resources	<u>63,515</u>	<u>119,830</u>	<u>-</u>
<u>FUND BALANCE</u>			
Restricted	15,576	-	317,318
Nonspendable	21,831	24,868	2,295
Assigned - Appropriated	43,000	-	-
Assigned - Unappropriated	23,154	457,613	-
Unassigned	439,196	-	-
Total fund balance	<u>542,757</u>	<u>482,481</u>	<u>319,613</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 614,498</u>	<u>\$ 615,045</u>	<u>\$ 320,278</u>

See accompanying notes.

INTERNAL SERVICE FUND	FIDUCIARY FUND TYPES	NON-CURRENT GOVERNMENTAL ACCOUNT GROUP	(Memorandum Only) Total
Unemployment Reserve	Trust and Agency	Long-Term Debt	
\$ 11,033	\$ 39,608	\$ -	\$ 1,343,384
-	-	-	15,576
-	-	-	63,515
-	14	-	5,248
-	10	-	1,610
-	-	-	122,159
-	-	-	48,994
-	-	1,038,231	1,038,231
<u>\$ 11,033</u>	<u>\$ 39,632</u>	<u>\$ 1,038,231</u>	<u>\$ 2,638,717</u>
\$ -	\$ 39,632	\$ -	\$ 56,009
-	-	-	5,248
-	-	-	-
-	-	1,038,231	1,038,231
<u>-</u>	<u>39,632</u>	<u>1,038,231</u>	<u>1,099,488</u>
-	-	-	63,515
<u>-</u>	<u>-</u>	<u>-</u>	<u>119,830</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>183,345</u>
11,033	-	-	343,927
-	-	-	48,994
-	-	-	43,000
-	-	-	480,767
-	-	-	439,196
<u>11,033</u>	<u>-</u>	<u>-</u>	<u>1,355,884</u>
<u>\$ 11,033</u>	<u>\$ 39,632</u>	<u>\$ 1,038,231</u>	<u>\$ 2,638,717</u>

VILLAGE OF STAMFORD

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL FUND TYPES - STATUTORY BASIS

Year Ended May 31, 2015

	GOVERNMENTAL FUND		
	General	Special Revenue	Capital Projects
<u>REVENUES</u>			
Taxes and special assessments	\$ 528,600	\$ -	\$ -
Departmental income	14,110	479,781	-
Intergovernmental charges	8,925	366,797	-
Use of money and property	54,163	442	77
Sale of property and compensation for loss	8,890	-	-
Miscellaneous local sources	104,072	30,028	146,373
State aid	52,452	-	-
Federal aid	-	-	-
Total revenues	<u>771,212</u>	<u>877,048</u>	<u>146,450</u>
<u>EXPENDITURES</u>			
General and governmental support	114,029	35,346	-
Public safety	80,179	-	-
Health	582	-	-
Transportation	268,225	-	-
Culture and recreation	69,328	-	-
Home and community services	84,250	625,903	134,984
Employee benefits	64,297	44,016	-
Debt service	-	102,081	-
Total expenditures	<u>680,890</u>	<u>807,346</u>	<u>134,984</u>
Excess revenues over expenditures	<u>90,322</u>	<u>69,702</u>	<u>11,466</u>
<u>OTHER SOURCES (USES)</u>			
Transfer from other funds	-	2,311	-
Transfer to other funds	-	-	(2,311)
Total other sources (uses)	<u>-</u>	<u>2,311</u>	<u>(2,311)</u>
NET CHANGE IN FUND BALANCE	<u>90,322</u>	<u>72,013</u>	<u>9,155</u>
Fund balance - Beginning	452,435	313,517	310,458
Prior period adjustment	-	96,951	-
Fund balance - Beginning (Restated)	<u>452,435</u>	<u>410,468</u>	<u>310,458</u>
FUND BALANCE - END OF YEAR	<u>\$ 542,757</u>	<u>\$ 482,481</u>	<u>\$ 319,613</u>

See accompanying notes.

INTERNAL SERVICE FUND	FIDUCIARY FUND TYPES	(Memorandum Only) Total
Unemployment Reserve	Trust and Agency	
\$ -	\$ -	\$ 528,600
-	-	493,891
-	-	375,722
2	-	54,684
-	-	8,890
-	-	280,473
-	-	52,452
-	-	-
<u>2</u>	<u>-</u>	<u>1,794,712</u>
-	-	149,375
-	-	80,179
-	-	582
-	-	268,225
-	-	69,328
-	-	845,137
-	-	108,313
-	-	102,081
<u>-</u>	<u>-</u>	<u>1,623,220</u>
<u>2</u>	<u>-</u>	<u>171,492</u>
-	-	2,311
<u>-</u>	<u>-</u>	<u>(2,311)</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>2</u>	<u>-</u>	<u>171,492</u>
11,031	-	1,087,441
<u>-</u>	<u>-</u>	<u>96,951</u>
<u>11,031</u>	<u>-</u>	<u>1,184,392</u>
<u>\$ 11,033</u>	<u>\$ -</u>	<u>\$ 1,355,884</u>

VILLAGE OF STAMFORD

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUES
FUND TYPES - STATUTORY BASIS

Year Ended May 31, 2015

	GENERAL FUND		
	Modified Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and special assessments	\$ 453,367	\$ 528,600	\$ 75,233
Departmental income	6,700	14,110	7,410
Intergovernmental charges	5,900	8,925	3,025
Use of money and property	37,340	54,163	16,823
Sale of property and compensation for loss	-	8,890	8,890
Miscellaneous local sources	2,000	104,072	102,072
State aid	11,500	52,452	40,952
Federal aid	-	-	-
Total revenues	<u>516,807</u>	<u>771,212</u>	<u>254,405</u>
<u>EXPENDITURES</u>			
General and governmental support	146,759	114,029	32,730
Public safety	57,629	80,179	(22,550)
Health	600	582	18
Transportation	214,288	268,225	(53,937)
Culture and recreation	32,396	69,328	(36,932)
Home and community services	42,133	84,250	(42,117)
Employee benefits	66,002	64,297	1,705
Debt service	-	-	-
Total expenditures	<u>559,807</u>	<u>680,890</u>	<u>(121,083)</u>
Excess revenues over (under) expenditures	<u>(43,000)</u>	<u>90,322</u>	<u>133,322</u>
<u>OTHER SOURCES (USES)</u>			
Transfer from other funds	-	-	-
Transfer to other funds	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(43,000)	90,322	133,322
Fund balance - Beginning	<u>452,435</u>	<u>452,435</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - Beginning (Restated)	<u>452,435</u>	<u>452,435</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 409,435</u>	<u>\$ 542,757</u>	<u>\$ 133,322</u>

See accompanying notes.

SPECIAL REVENUE FUND TYPE

<u>Modified Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -
460,000	479,781	19,781
396,607	366,797	(29,810)
-	442	442
-	-	-
27,830	30,028	2,198
-	-	-
-	-	-
884,437	877,048	(7,389)
61,342	35,346	25,996
-	-	-
-	-	-
-	-	-
-	-	-
660,362	625,903	34,459
55,652	44,016	11,636
102,081	102,081	-
879,437	807,346	72,091
5,000	69,702	64,702
-	2,311	2,311
(5,000)	-	5,000
(5,000)	2,311	7,311
-	72,013	72,013
313,517	313,517	-
96,951	96,951	-
410,468	410,468	-
\$ 410,468	\$ 482,481	\$ 72,013

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Village of Stamford (the "Village"), which was incorporated May 25, 1870, is governed by the Charter of the State of New York, the municipal law and other general laws of the State of New York and various local laws and ordinances. The Village Trustees, which is the legislative body responsible for the overall operation of the Village, consists of members elected by the Village residents. The Mayor serves as chief executive officer and the Village Treasurer serves as chief fiscal officer of the Village.

The following basic services are provided: Highway Maintenance, Parks and Recreation Programs, and Water and Sewer Services.

All governmental activities and functions performed for the Village are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government, which is the Village, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in *Government Accounting Standards Board (GASB) Statements 14, 39 and 61*.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Village has no component unit to be included in its reporting entity.

Although the following organizations, functions or activities are related to the Village, they are not included in the Village reporting entity because of the reasons noted:

The Volunteer Fire Department and Ambulance Squad are not-for-profit organizations whose members are on call to fight fire and respond to medical emergencies in the Village and surrounding areas. The organizations elect their own officers and raise their own revenues through contributions and charitable activities and are responsible for training of individual members. The Village provides the organizations with fire trucks, ambulances, equipment maintenance of such equipment, and supplies.

The Village of Stamford pays a portion of the operational costs of the Joint Solid Waste Transfer Station. Along with the Villages of Harpersfield and Kortright and the Village of Hobart, the Village of Stamford portion is based on its population. In return for its payment, the residents of the Village are allowed to use the transfer station. The Village only pays for operational cost and has no equity interest in the Transfer Station. For the year ended May 31, 2015, the Village paid \$22,990 to the Transfer Station.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

B. Departures From Generally Accepted Accounting Principles

Statutory Basis of Accounting

Management has elected to prepare its financial statements on the statutory basis required by the Office of the Comptroller of the State of New York for Annual Reports to that office. This statutory basis (pre GASB-34 model) varies from accounting principles generally accepted in the United States primarily because it does not reflect the adoption of GASB-34. Under GASB-34, the Village would be required to capitalize and report all capital assets, including general infrastructure assets (roads, sidewalks, bridges, etc.), within a Government Wide Financial Statement presentation in addition to the current presentation by fund as described below.

Non-Current Governmental Asset Account Groups

Statutory basis of accounting requires certain Village capital assets to be recorded in the Non-Current Governmental Assets Account Group at cost. The Village has not properly maintained its inventory of capital assets. The data is not available to determine the effect of this departure on the financial statements.

C. Basis of Presentation – Fund Accounting

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is considered a separate accounting entity, accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The Village records its transactions in the fund types and account groups described below.

Fund Categories:

Governmental Fund Types – are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon the determination of financial position and changes in financial position. The following are the Village's governmental fund types:

General Fund – the principal operating fund and includes all operations not required to be recorded in other funds.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized: Water Fund and Sewer Fund.

Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the internal service fund.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

C. Basis of Presentation – Fund Accounting (Cont'd.)

Debt Service Fund – used to account for current payment of principal and interest on general obligation long-term debt and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

Proprietary Funds – used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus of proprietary funds is upon the determination of operating income, changes in net assets, financial position, and cash flows. The following proprietary funds are utilized:

Internal Service Funds – used to account for special activities or services provided by one fund to other funds. Included is the following:

Unemployment Reserve – accumulates monies from other funds to pay for unemployment claims.

Fiduciary Funds – used to account for assets held by the local government in a trustee or custodial capacity. Included is the following:

Trust and Agency Funds – used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent. These include expendable trusts, non-expendable trusts and agency funds.

Account Groups:

These groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not "funds". They are concerned with measurement of financial position and not results of operations.

Non-Current Governmental Assets Account Group – used to account for land, buildings, improvements and other buildings, and equipment utilized for general governmental purposes, except those accounted for in proprietary funds. The Village does not account for general fixed assets.

Non-Current Governmental Liabilities Account Group – used to account for all long-term debt except those accounted for in propriety and special assessment funds.

D. Basis of Accounting/Measurement Focus

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” This Statement established new financial reporting requirements for state and local governments throughout the United States. It requires new information and restructures much of the information that governments have presented in the past. New York State does not require the Village to implement GASB 34.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

D. Basis of Accounting/Measurement Focus (Cont'd.)

Management has elected to prepare its financial statements on the statutory basis required by the Office of the Comptroller of the State of New York for Annual Reports to that Office. This statutory basis varies from GAAP primarily because it does not reflect the adoption of GASB-34. That is, the statutory method is the same method used by the Village for the fiscal year ending prior to May 31, 2004, which was consistent with accounting principles generally accepted in the United States applicable to the Village prior to that date.

Basis of accounting refers to when revenue and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, ie expenditures or expenses.

Modified Accrual Basis – all governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made and the resources are available.

Expenditures are recorded when incurred except that:

- a. Expenditures for prepaid expenses or inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Pension costs are recognized as an expenditure when due.
- d. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.

Accrual Basis – nonexpendable trust funds are accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred.

Account Groups – non-current governmental liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity. Also included in the non-current governmental liabilities account group are compensated absences.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

E. Encumbrances

Encumbrances outstanding at year-end do not represent generally accepted accounting principles (GAAP) expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year-end.

The actual results of operations are presented in accordance with GAAP, and the Village's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Encumbrances are presented as restrictions, commitments or assignments of fund balance on the balance sheets of the governmental funds, since they do not constitute expenditures or liabilities. It is necessary to include the budgetary encumbrances to reflect actual revenues and expenditures on a budgetary basis consistent with the Village's legally adopted budget. The following fiscal year's budget is amended to re-appropriate the fund balance reserved for encumbrances.

F. Total Columns on the General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. Compensated Absences

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of fifteen (15) days a year. After one year of employment, ten (10) working days; after eight (8) years of employment, fifteen (15) working days. Employees must use their accrued vacation leave by their anniversary date of employment annually or lose it. Any employee who quits without cause, or is discharged for cause prior to the anniversary date of employment, shall not be eligible for allowed vacations. Employees accrue sick leave at the rate of one (1) day per month and may accumulate such credits up to a total of ninety (90) days.

A Village employee who has a minimum of twenty (20) years of service to the Village and retires may have their accumulated sick leave, personal leave, and vacation leave as of the effective retirement date converted to a dollar amount as follows: total accumulated days times the base daily wage as of retirement date. This dollar amount can only be used by the Village retiree to cover the retiree's portion of medical/health insurance premiums as administered by the Village. The retiree may elect at retirement or there after the following under the Village's medical/health plan for individual or family coverage: 55% of monthly cost covered by the Village for life with 45% of monthly cost covered by the Village retiree.

Management believes that sufficient resources will be made available for the payment of vacation, sick leave and compensatory absences when such payment becomes due.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

H. Fund Balance

The Village has adopted the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, as recommended by New York State for reporting on the statutory basis. Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with the following five classifications:

Restricted Fund Balance – restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General fund, the unassigned classification should be used only to report a deficit balance resulting from over spending for specific purposes for which amount had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Village spends funds in the following order: restricted, committed, assigned and unassigned.

I. Estimates

The preparation of general-purpose financial statements in conformity with the standards issued by the Comptroller General of the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

J. Deferred Outflows/Inflows of Resources

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of Net Assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 STEWARDSHIPS, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Policies

- a. No later than March 31, the Mayor submits a tentative budget to the Village Trustees for the Fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the Village Trustees adopts the budget.
- c. All modifications of the budget must be approved by the Village Trustees. However, the Village Trustees are authorized to transfer certain budgeted amounts within departments.
- d. Budgets are adopted annually on a basis consistent with the statutory basis of accounting.
- e. Appropriates in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the subsequent year.

Except noted as follows, budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgetary controls over Capital Project Funds cover periods longer than the Village's fiscal year. Therefore, these funds have been excluded from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.

B. Property Taxes

Real property taxes are levied annually by the Board of Trustees no later than May 15 and become a lien on June 1. Taxes are collected during the period beginning June 1.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS

A. Assets

The Village investment policies are governed by State statutes. Village monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Investments consist of certificates of deposit, and are included as cash assets for this note.

Collateral is required for demand deposits and certificates of deposit as provided for by law of all deposits not covered by federal deposit insurance. Obligations pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school district.

At year-end the book amount of the Village's deposits excluding petty cash of \$50 was \$1,358,910 and the bank balance was \$1,446,803. The insured and collateral status of the year-end bank balance was as follows:

Covered by FDIC	\$ 1,408,902
Collateralized with securities held by a third-party custodian for the benefit of the Village pursuant to a three-party custody agreement	<u>37,901</u>
Total	<u>\$ 1,446,803</u>

Other Receivables – Other receivables for the year-end are as follows:

	<u>General</u>	<u>Special Revenue</u>
Fee and grants	\$ 6,763	\$ -
Water rents	-	49,304
Sewer rents	<u>-</u>	<u>66,092</u>
Total amount	<u>\$ 6,763</u>	<u>\$ 115,396</u>

B. Long-Term Liabilities

- a. At May 31, 2015, the total outstanding long-term indebtedness of the Village is \$852,864.
- b. Serial Bonds (and Capital Notes) – The local government, as in most governmental units, borrows money to acquire land or equipment or to construct buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the General Long-Term Debt Account Group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS (Cont'd.)

B. Long-Term Liabilities (Cont'd.)

- c. Vacation, Sick Leave and Compensatory Absences – In 1996, the Village Trustees changed their compensation plan to allow only employees hired before August 24, 1992 to be eligible to receive their accrued vacation and sick leave upon termination or retirement. Employees hired after that date are not entitled to payment for accumulated vacation or sick leave and will lose any unused compensatory absences at the end of their employment.

The amount that would be payable has been recorded in the general long-term obligations account group it will be recorded as an expense when paid.

Payment of vacation and sick leave recorded in the general long-term obligations account group is dependent upon many factors. Therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and sick leave and compensatory absences when such payments become due.

- d. Other Post-Employment Benefits (OPEB) – Represents the non-current portion of the liability to current employees and retirees.
- e. Summary of Long-Term Liabilities – The following is a summary of long-term liability outstanding at May 31, 2015 by account group:

	<u>General Long-Term Debt Account Group</u>
Serial Bonds	\$ 852,864
OPEB	168,441
Compensated absences	<u>16,926</u>
Total long-term debt	<u>\$ 1,038,231</u>

The following is a summary of changes in long-term liabilities for the year ended May 31, 2015:

	<u>OPEB</u>	<u>Compensated Absences</u>	<u>Serial Bonds</u>
Balance, June 1, 2014	\$ 150,520	\$ 12,893	\$ 949,073
Additions	17,921	4,033	-
Deletions	<u>-</u>	<u>-</u>	<u>96,209</u>
Balance, May 31, 2015	<u>\$ 168,441</u>	<u>\$ 16,926</u>	<u>\$ 852,864</u>

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS (Cont'd.)

B. Long-Term Liabilities (Cont'd.)

Long-term liability maturity schedule – The following is a statement of Serial Bonds with corresponding maturity schedule:

<u>Payable From</u>	<u>Original Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date Final Maturity</u>	<u>Outstanding</u>
Sewer	07/99	\$ 102,900	4.15%	07/37	\$ 68,900
Water	04/98	966,896	0%	04/18	170,988
Sewer	05/01	272,125	4.00%-5.50%	05/20	31,100
Water	05/01	77,875	4.00%-5.50%	05/20	8,900
Sewer	08/05	859,470	0%	08/34	<u>572,976</u>
Total					<u>\$ 852,864</u>

The following table summarizes the Village's future liability service requirement as of year-end:

<u>Years ending May 31</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 97,327	\$ 5,347
2017	98,345	4,690
2018	99,363	4,018
2019	36,349	3,347
2020 – 2024	162,945	12,399
2025 – 2029	158,745	8,719
2030 – 2034	158,742	5,231
2035 – 2039	<u>41,048</u>	<u>1,674</u>
Total	<u>\$ 852,864</u>	<u>\$ 45,425</u>

C. Deferred Inflows of Resources

Unavailable Revenue – Taxes receivable not expected to be collected 60 days after the close of the fiscal year are recognized as deferred revenue.

General fund deferred revenues at May 31, 2015 consisted of the following:

Taxes receivable from fiscal year ended May 31, 2015	\$ 23,474
Taxes receivable from the years prior to June 1, 2014	<u>40,041</u>
Total deferred revenues	<u>\$ 63,515</u>

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS (Cont'd.)

C. Deferred Inflows of Resources (Cont'd.)

Advances O & M Grants – Deferred revenues in the special revenue fund are a result of the prepayment of the operations and maintenance contract of the Waste Water Treatment Plant. At May 31, 2015, deferred revenue was \$119,830.

D. Fund Balance – Restricted

These balances are restricted for future expenses and are broken down as follows:

	<u>General Fund</u>	<u>Capital Project</u>	<u>Internal Service</u>
Equipment and repairs	\$ 15,576	\$ 317,983	\$ -
Reserved for unemployment	<u>-</u>	<u>-</u>	<u>11,033</u>
Total future expenses	<u>\$ 15,576</u>	<u>\$ 317,983</u>	<u>\$ 11,033</u>

E. Pension Plans

1. Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS), and the Public Employees' Group Life Insurance Plan (System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

2. Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Employees with 10 years of service are no longer required to contribute. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The Village is required to contribute at an actuarially determined rate.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS (Cont'd.)

E. Pension Plans (Cont'd.)

The required contributions for the current year and two preceding years were:

	<u>ERS</u>
2015	\$ 28,759
2014	26,581
2013	32,228

The Village's contributions made to the System were equal to 100 percent of the current years premiums required.

F. Postemployment Benefits Other than Pensions

Plan Description – The Village of Stamford administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan”). The Plan provides lifetime healthcare insurance for eligible retirees and their spouse through the Village’s group health insurance plan, which covers both active and retired members. In order to become eligible employees must complete 20 years of service with the Village. The Village Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contributions are made on a pay-as-you-go basis. The Village contributes 55% of the cost of current-year premiums for eligible retired plan members and their spouses. For fiscal year 2015, the Village paid \$8,564.

Annual OPEB Cost and Net OPEB Obligation – The Village’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contributions of the employees (ARC). The Village has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Village’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village’s net OPEB obligation to the Retiree Health Plan.

Annual required contribution	\$ 25,223
Interest on net OPEB obligation	1,262
Adjustment to annual required contribution	<u>-</u>
Annual OPEB – cost	26,485
Contributions made	<u>(8,564)</u>
Increase in net OPEB obligation	17,921
Net OPEB obligation – Beginning of year	<u>150,520</u>
Net OPEB obligation – End of year	<u>\$ 168,441</u>

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS (Cont'd.)

F. Postemployment Benefits Other than Pensions (Cont'd.)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two previous years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
May 31, 2013	\$ 33,638	18.89%	\$ 125,795
May 31, 2014	33,638	26.50 %	150,520
May 31, 2015	26,485	32.34 %	168,441

Funded Status and Funding Progress – As of May 31, 2015, the actuarial accrued liability for benefits was \$209,367 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$233,983 and the ratio of the unfunded actuarial accrued liability to the covered payroll as 89.48 %.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The following simplifying assumptions were made:

Retirement Age for Active Employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62.

Marital Status – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2014 United States Life Tables for Males and Females were used.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS (Cont'd.)

F. Postemployment Benefits Other than Pensions (Cont'd.)

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employment until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare Cost Trend Rate – The expected rate of increase in healthcare insurance premiums was based on projects of the Office of the Actuary at the Centers for Medicare & Medicaid Services. An ultimate rate of 5.6% was used.

Health Insurance Premiums – 2015 health insurance premiums for retirees were used as the basis calculation of the present value of total benefits to be paid.

Based on the historical and expected returns of the Village's short-term investment portfolio, a discount rate of 5.0% was used. In addition, a simplified version of the entry age actuarial costs method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at May 31, 2015 was twenty-nine years.

G. Interfund Transfers

	<u>Transfer To</u>	<u>Transfer From</u>
Sewer	\$ 2,311	\$ -
Capital projects	<u>-</u>	<u>2,311</u>
Total	<u>\$ 2,311</u>	<u>\$ 2,311</u>

H. Due To/From Other Funds

	<u>Due From</u>	<u>Due To</u>
General	\$ 5,234	\$ 14
Special revenue – Water	-	136
Special revenue – Sewer	-	5,098
Trust and agency	<u>14</u>	<u>-</u>
Total	<u>\$ 5,248</u>	<u>\$ 5,248</u>

NOTE 4 SUBSEQUENT EVENTS

The Village has evaluated subsequent events through October 1, 2015, which is the date the financial statements were available to be issued.

VILLAGE OF STAMFORD

NOTES TO THE FINANCIAL STATEMENTS

Year ended May 31, 2015

NOTE 5 PRIOR PERIOD ADJUSTMENT

A prior period adjustment that increased prior year receivables and fund balance in the amounts of \$35,515 and \$61,436 was made to the water fund and sewer fund, respectively. The changes are reflected on the combined statement of revenues, expenditures and changes in fund balance – all fund types – statutory basis as well as the schedule of revenues, expenditures and changes in fund balance - statutory basis as of May 31, 2015

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VILLAGE OF STAMFORD

SPECIAL REVENUE FUND

BALANCE SHEET SCHEDULE - STATUTORY BASIS

Year Ended May 31, 2015

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Cash	\$ 129,822	\$ 343,359	\$ 473,181
Other receivables	49,304	66,092	115,396
Due from other funds	-	-	-
Due from other governments	-	1,600	1,600
Prepaid insurance	4,203	20,665	24,868
Total assets	<u>\$ 183,329</u>	<u>\$ 431,716</u>	<u>\$ 615,045</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 1,910	\$ 5,591	\$ 7,501
Due to other funds	136	5,097	5,233
Total liabilities	<u>2,046</u>	<u>10,688</u>	<u>12,734</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Advances O & M Grants	<u>-</u>	<u>119,830</u>	<u>119,830</u>
 <u>FUND BALANCE</u>			
Nonspendable	4,203	20,665	24,868
Assigned - Appropriated	-	-	-
Assigned - Unappropriated	177,080	280,533	457,613
Total fund balance	<u>181,283</u>	<u>301,198</u>	<u>482,481</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 183,329</u>	<u>\$ 431,716</u>	<u>\$ 615,045</u>

VILLAGE OF STAMFORD

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - STATUTORY BASIS

Year Ended May 31, 2015

	Water Fund	Sewer Fund	Total
<u>REVENUES</u>			
Departmental income	\$ 225,614	\$ 254,167	\$ 479,781
Intergovernmental charges	-	366,797	366,797
Use of money and property	66	376	442
Sale of property and compensation for loss	-	-	-
Miscellaneous local sources	29,977	51	30,028
Total revenues	<u>255,657</u>	<u>621,391</u>	<u>877,048</u>
<u>EXPENDITURES</u>			
General government support	13,530	21,816	35,346
Home and community services	144,005	481,898	625,903
Employee benefits	19,599	24,417	44,016
Debt service	57,789	44,292	102,081
Total expenditures	<u>234,923</u>	<u>572,423</u>	<u>807,346</u>
Excess revenues over expenditures	<u>20,734</u>	<u>48,968</u>	<u>69,702</u>
<u>OTHER SOURCES (USES)</u>			
Transfer from other funds	2,311	-	2,311
Transfer to other funds	-	-	-
Total other sources (uses)	<u>2,311</u>	<u>-</u>	<u>2,311</u>
NET CHANGE IN FUND BALANCE	<u>23,045</u>	<u>48,968</u>	<u>72,013</u>
Fund balance - Beginning of year	122,723	190,794	313,517
Prior period adjustment	<u>35,515</u>	<u>61,436</u>	<u>96,951</u>
Fund balance - Beginning of year - restated	<u>158,238</u>	<u>252,230</u>	<u>410,468</u>
Fund balance - End of year	<u>\$ 181,283</u>	<u>\$ 301,198</u>	<u>\$ 482,481</u>