# VILLAGE OF STAMFORD

## GENERAL PURPOSE FINANCIAL STATEMENTS – REGULATORY BASIS

Year Ended May 31, 2017

VILLAGE OF STAMFORD

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Village of Stamford (the "Village"), as of and for the year ended May 31, 2017, and the related notes to the financial statements which collectively comprise the Village's basic financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Office of the Comptroller of the State of New York. Management is also responsible 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.

**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 Accounting Principles Generally Accepted in the United States of America*

As described in Note 1, 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, 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 regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matters discussed in the basis for adverse opinion on accounting principles generally accepted in the United States of America paragraph, the financial statements referred to in the first paragraph 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, 2017, or the results of its operations or cash flows for the year then ended.

*Basis for Qualified Opinion on Regulatory Basis of Accounting*

As described in Note 1 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 Regulatory 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, 2017, 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 the 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 27 – 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information on Pages 27 – 31 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 27 – 31 are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Mostert, Manzanero & Scott, LLP

Oneonta, New York
October 18, 2017

VILLAGE OF STAMFORD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS

May 31, 2017

| | GOVERNMENTAL FUND TYPES | | |
|---|---|---|---|
| | General | Special Revenue | Capital Projects |
| **ASSETS** | | | |
| Cash | $ 659,880 | $ 599,658 | $ - |
| Cash - Reserved | 311,375 | 71,082 | 37,980 |
| Taxes receivable | 60,216 | - | - |
| Interfund receivables | - | 1,862 | 47 |
| Due from other governments | - | - | - |
| Other receivables | 7,862 | 120,209 | - |
| Prepaid expenses | 111 | 222 | - |
| Provisions to be made in future budgets | - | - | - |
| Total assets | $ 1,039,444 | $ 793,033 | $ 38,027 |
| **LIABILITIES** | | | |
| Accounts payable | $ 18,434 | $ 79,868 | $ 33,008 |
| Interfund payables | 1,802 | 107 | - |
| Bonds and long-term liabilities | - | - | - |
| Total liabilities | 20,236 | 79,975 | 33,008 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Unavailable revenue - Taxes | 60,216 | - | - |
| Advances O & M grants | - | 75,525 | - |
| Total deferred inflows of resources | 60,216 | 75,525 | - |
| **FUND BALANCES** | | | |
| Restricted | 311,375 | 71,082 | 5,019 |
| Committed | 53,356 | - | - |
| Assigned - Appropriated | 25,039 | 35,000 | - |
| Assigned - Unappropriated | - | 531,451 | - |
| Unassigned | 569,222 | - | - |
| Total fund balance | 958,992 | 637,533 | 5,019 |
| Total liabilities, deferred inflows and fund balances | $ 1,039,444 | $ 793,033 | $ 38,027 |

See accompanying notes.

| FIDUCIARY FUND TYPES | NON-CURRENT GOVERNMENTAL ACCOUNT GROUP | |
|---|---|---|
| Trust and Agency | Long-Term Debt | (Memorandum Only) Total |
| $ 5,040 | $ - | $ 1,264,578 |
| - | - | 420,437 |
| - | - | 60,216 |
| - | - | 1,909 |
| - | - | - |
| - | - | 128,071 |
| - | - | 333 |
| - | 925,905 | 925,905 |
| $ 5,040 | $ 925,905 | $ 2,801,449 |
| | | |
| $ 5,040 | $ - | $ 136,350 |
| - | - | 1,909 |
| - | 925,905 | 925,905 |
| 5,040 | 925,905 | 1,064,164 |
| | | |
| - | - | 60,216 |
| - | - | 75,525 |
| - | - | 135,741 |
| | | |
| - | - | 387,476 |
| - | - | 53,356 |
| - | - | 60,039 |
| - | - | 531,451 |
| - | - | 569,222 |
| - | - | 1,601,544 |
| $ 5,040 | $ 925,905 | $ 2,801,449 |

VILLAGE OF STAMFORD

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

Year Ended May 31, 2017

| | GOVERNMENTAL FUND | | |
|---|---|---|---|
| | General | Special Revenue | Capital Projects |
| REVENUES | | | |
| Real property taxes | $ 465,701 | $ - | $ - |
| Non-property tax items | 51,241 | - | - |
| Departmental income | 19,348 | 492,065 | - |
| Intergovernmental charges | 8,257 | 504,365 | - |
| Use of money and property | 75,430 | 685 | 83 |
| Sale of property and compensation for loss | 5,976 | 353 | - |
| Miscellaneous local sources | 155,249 | 28,501 | - |
| State aid | 85,178 | - | - |
| Federal aid | - | - | - |
| Total revenues | 866,380 | 1,025,969 | 83 |
| EXPENDITURES | | | |
| General and governmental support | 122,701 | 36,886 | - |
| Public safety | 67,986 | - | - |
| Health | 483 | - | - |
| Transportation | 352,221 | - | - |
| Culture and recreation | 73,725 | - | - |
| Home and community services | 64,614 | 790,777 | 126,864 |
| Employee benefits | 67,245 | 46,929 | - |
| Debt service | - | 102,913 | - |
| Total expenditures | 748,975 | 977,505 | 126,864 |
| Excess revenues over expenditures (expenditures over revenues) | 117,405 | 48,464 | (126,781) |
| OTHER SOURCES (USES) | | | |
| Transfer from other funds | - | 54,602 | - |
| Transfer to other funds | - | - | (54,602) |
| Total other sources (uses) | - | 54,602 | (54,602) |
| NET CHANGE IN FUND BALANCE | 117,405 | 103,066 | (181,383) |
| Fund balance - Beginning of year, as previously stated | 844,172 | 536,052 | 186,402 |
| Restatement of fund balance | (2,585) | (1,585) | - |
| Fund balance - Beginning of year, as restated | 841,587 | 534,467 | 186,402 |
| FUND BALANCE - END OF YEAR | $ 958,992 | $ 637,533 | $ 5,019 |

See accompanying notes.

| FIDUCIARY FUND TYPES Trust and Agency | (Memorandum Only) Total |
|---|---|
| $ - | $ 465,701 |
| - | 51,241 |
| - | 511,413 |
| - | 512,622 |
| - | 76,198 |
| - | 6,329 |
| - | 183,750 |
| - | 85,178 |
| - | - |
| - | 1,892,432 |
| | |
| - | 159,587 |
| - | 67,986 |
| - | 483 |
| - | 352,221 |
| - | 73,725 |
| - | 982,255 |
| - | 114,174 |
| - | 102,913 |
| - | 1,853,344 |
| | |
| - | 39,088 |
| | |
| - | 54,602 |
| - | (54,602) |
| - | - |
| | |
| - | 39,088 |
| | |
| - | 1,566,626 |
| - | (4,170) |
| - | 1,562,456 |
| | |
| $ - | $ 1,601,544 |

## 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 laws 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.

Effective January 1, 2017, the Volunteer Fire Department and Ambulance Squad merged with the Stamford Fire District, ending its financial relationship with the Village.

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's 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, 2017, the Village paid $24,786 to the Transfer Station.

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

B. Departures From Generally Accepted Accounting Principles

Regulatory Basis of Accounting

Management has elected to prepare its financial statements on the regulatory basis required by the Office of the Comptroller of the State of New York for annual reports to that office. This regulatory basis (pre GASB-34 model) varies from generally accepted accounting principles (GAAP) primarily in that under GAAP:

1. Financial statements include two additional statements, the statement of net position and the statement of activities, collectively referred to as the "government-wide" financial statements which are presented on the accrual basis of accounting.

2. Fund-based financial statements must be reconciled to the "government-wide" financial statements.

3. Capital assets, other than land, are depreciated and reported on the "government-wide" statement of net position at net book value, and depreciation expense is allocated to the major functions on the statement of activities based on the use of the underlying assets.

4. Management discussion and analysis, a narrative report that introduces the financial statements and provides an analytical overview of the Village's financial activities.

5. Full pension note disclosure as required by GAAP under GASB 68, *Accounting and Financial Reporting for Pensions,* because the Village reports under the modified accrual basis and does not have pension proprietary fund liabilities.

6. Required supplementary information (RSI) required by GAAP under GASB 68 concerning pensions which includes a ten-year comparative schedule of the collective net pension liability and a schedule of the required contributions, actual contribution, any differences between those contributions, covered payroll and actual contributions as a percentage of covered payroll.

Non-Current Governmental Asset Account Groups

Regulatory 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.

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

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.

1. Fund Categories

a. 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:

Sewer Fund – used to account for the sewer operations of the Village.

Water Fund – used to account for the water operations of the Village.

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.

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.

b. Fiduciary Funds – used to account for assets held by the local government in a trusteed 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.

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

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

2. 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.

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

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

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

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:

1. Expenditures for prepaid expenses or inventory-type items are recognized at the time of purchase.
2. Principal and interest on indebtedness are not recognized as an expenditure until due.
3. Pension costs are recognized as an expenditure when due.
4. 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.

E. 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 regulatory basis. Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with the following five classifications:

Restricted – 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 – 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.

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

E. Fund Balance (Cont'd.)

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.

F. 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:

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in the Governmental Funds. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

H. 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.

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

### H. Compensated Absences (Cont'd.)

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

### 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.

### J. Interfund Transfers

Permanent reallocation of resources between funds of the Village are classified as interfund transfers. For the purpose of the combined statement of revenues, expenditures and changes in fund balances – all fund types – regulatory basis, all interfund transfers between individual governmental funds have been eliminated.

### K. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds are eliminated in the combined balance sheets – all fund types and account groups – regulatory basis.

### L. 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 the regulatory basis of accounting nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

## NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Policies

1. 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Cont'd.)

A. Budgetary Policies (Cont'd.)

2. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the Village Trustees adopts the budget.

3. 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.

4. Budgets are adopted annually on a basis consistent with the regulatory basis of accounting.

5. Appropriates in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the subsequent year.

B. Budget Basis of Accounting

Except noted as follows, budgets are adopted annually on a basis consistent with the regulatory basis of accounting. 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 – general and special revenue fund types – regulatory basis.

C. 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.

In June 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Village in a particular year, beginning with the 2012-2013 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

## NOTE 3 DETAILED NOTES ON ALL FUND AND ACCOUNT GROUPS

### A. Assets

1. Cash and Investments

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 $1,684,965 and the bank balance was $1,688,613.

The insured and collateral status of the year-end bank balance was as follows:

| | |
|---|---|
| Covered by FDIC | $ 1,688,613 |
| Collateralized with securities held by a third-party custodian for the benefit of the Village pursuant to a three-party custody agreement | - |
| Total | $ 1,688,613 |

2. Other Receivables – For the year ended May 31, 2017 were as follows:

| | General | Special Revenue |
|---|---|---|
| Fee and grants | $ 7,862 | $ - |
| Water rents | - | 48,425 |
| Sewer rents | - | 71,784 |
| Total other receivables | $ 7,862 | $ 120,209 |

### B. Long-Term Liabilities

1. At May 31, 2017, the total outstanding long-term indebtedness of the Village is $925,905.

2. 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.

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

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

3. 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.

4. Other Post-Employment Benefits (OPEB) – Represents the non-current portion of the liability to current employees and retirees.

5. Summary of Long-Term Liabilities – The following is a summary of long-term liability outstanding at May 31, 2017 by account group:

| | General Long-Term Debt Account Group |
|---|---|
| Serial Bonds | $ 657,192 |
| OPEB | 201,931 |
| Compensated absences | 18,661 |
| Net pension liability | 48,121 |
| Total long-term liability | $ 925,905 |

The following is a summary of changes in long-term liabilities for the year ended May 31, 2017:

| | Serial Bonds | OPEB | Compensated Absences | Net Pension Liability |
|---|---|---|---|---|
| Balance, June 1, 2016 | $ 755,537 | $ 185,394 | $ 19,111 | $ - |
| Additions | - | 16,537 | - | 48,121 |
| Deletions | (98,345) | - | (450) | - |
| Balance, May 31, 2017 | $ 657,192 | $ 201,931 | $ 18,661 | $ 48,121 |

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

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

5. Summary of Long-Term Liabilities (Cont'd.)

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

| Payable From | Original Date Issued | Original Amount | Interest Rate | Date Final Maturity | Outstanding |
|---|---|---|---|---|---|
| Sewer | 07/99 | $ 102,900 | 4.15% | 07/37 | $ 63,500 |
| Water | 04/98 | 966,896 | 0% | 04/18 | 58,014 |
| Sewer | 05/01 | 272,125 | 4.00%-5.50% | 05/20 | 15,550 |
| Water | 05/01 | 77,875 | 4.00%-5.50% | 05/20 | 4,450 |
| Sewer | 08/05 | 859,470 | 0% | 08/34 | 515,678 |
| Total | | | | | $ 657,192 |

The following table summarizes the Village's future liability service requirement:

| Year End May 31 | Bonds Principal | Bonds Interest |
|---|---|---|
| 2018 | $ 99,363 | $ 4,018 |
| 2019 | 36,349 | 3,347 |
| 2020 | 36,349 | 2,949 |
| 2021 | 31,349 | 2,554 |
| 2022 | 31,749 | 2,432 |
| 2023 – 2027 | 158,745 | 10,114 |
| 2028 – 2032 | 158,744 | 6,626 |
| 2033 – 2037 | 101,444 | 3,139 |
| 2038 – 2042 | 3,100 | 209 |
| Total | $ 657,192 | $ 35,388 |

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, 2017 consisted of the following:

| | |
|---|---|
| Taxes receivable from fiscal year ended May 31, 2017 | $ 19,009 |
| Taxes receivable from the years prior to June 1, 2016 | 41,207 |
| Total deferred revenues | $ 60,216 |

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, 2017, deferred revenue was $75,535.

D. Fund Balance – Restricted

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

| | General Fund | Capital Projects | Water Fund | Sewer Fund |
|---|---|---|---|---|
| Equipment and repairs | $ 300,311 | $ 5,019 | $ 7,519 | $ 63,563 |
| Reserved for unemployment | 11,064 | - | - | - |
| Total future expenses | $ 311,375 | $ 5,019 | $ 7,519 | $ 63,563 |

E. Pension Plans

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statue statute. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

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

E. Pension Plans (Cont'd.)

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

*Tiers 3, 4, and 5*

Eligibility: Tiers 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tiers 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

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

E. Pension Plans (Cont'd.)

Benefits Provided (Cont'd.)

*Tiers 3, 4, and 5 (Cont'd.)*

Final average salary is the average of the wages earned in the three highest consecutive years. For Tiers 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

*Ordinary Disability Benefits*

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

*Accidental Disability Benefits*

For all eligible Tiers 1 and 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any workers' compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

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

E. Pension Plans (Cont'd.)

Benefits Provided (Cont'd.)

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Contributions

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 for the first ten years of membership and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for the entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the system's fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

| | ERS |
|---|---|
| 2017 | $ 25,018 |
| 2016 | 30,186 |
| 2015 | 28,759 |

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

E. Pension Plans (Cont'd.)

Contributions (Cont'd.)

Chapter 260 of the Laws of 2004 of the State of New York was enacted that allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of employees' covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008. The Village opted to not amortize their retirement bill.

Chapter 57 of the Laws of 2010 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to taxable fixed income investments of a similar duration.
- For subsequent State 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.

This 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. The Village opted not to amortize their retirement bill.

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

E. Pension Plans (Cont'd.)

Contributions (Cont'd.)

Chapter 57 of the Laws of 2013 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution (total bill, excluding payments for deficiency, group life, previous amortizations, incentive costs, and prior year adjustments) and the graded contribution.
- For subsequent State fiscal years (SFYs), the graded rate will increase or decrease by up to one-half of one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to a 12-year U.S. Treasury Bond plus 1 percent.
  For subsequent SFYs 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.

This 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. The Village opted not to amortize their retirement bill.

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

At May 31, 2017, the Village reported a liability of $48,121 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2017, the Village's proportion was .0005121% for the ERS.

For the year ended May 31, 2017, the Village recognized pension expense of $27,960.

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

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 2017, the Village paid $9,948.

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 | - |
| Annual OPEB – cost | 26,485 |
| Contributions made | (9,948) |
| Increase in net OPEB obligation | 16,537 |
| Net OPEB obligation – Beginning of year | 185,394 |
| Net OPEB obligation – End of year | $ 201,931 |

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two previous years:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|
| May 31, 2015 | 26,485 | 32.34 % | 168,441 |
| May 31, 2016 | 26,485 | 35.99 % | 185,394 |
| May 31, 2017 | 26,485 | 37.56 % | 201,931 |

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

Funded Status and Funding Progress – As of May 31, 2017, 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 $244,401 and the ratio of the unfunded actuarial accrued liability to the covered payroll as 85.67%.

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 for retiree health benefit plan, 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 form the National Center for Health Statistics. The 2014 United States Life Tables for Males and Females were used.

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.

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

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, 2017 was twenty-nine years.

G. Interfund Transfers

| | Transfer To | Transfer From |
|---|---|---|
| General | $ - | $ - |
| Water | - | - |
| Sewer | - | 54,602 |
| Capital projects | 149,768 | 95,166 |
| Total interfund transfers | $ 149,768 | $ 149,768 |

H. Interfund Receivables and Payables

| | Receivables | Payables |
|---|---|---|
| General | $ - | $ 1,802 |
| Special revenue – Water | 60 | 47 |
| Special revenue – Sewer | 1,802 | 60 |
| Trust and agency | - | - |
| Capital projects | 47 | - |
| Total interfund receivables and payables | $ 1,909 | $ 1,909 |

NOTE 4 RESTATEMENT OF FUND BALANCE

For the year ended May 31, 2017, the Village started recording its pension expense as required by the NYS Comptroller's Office for regulatory reporting to that agency by recognizing 12 months of pension expenditures at the Village's year end, apportioned between the two NYS pension bills that overlap the Village's fiscal year, regardless of when the Village actually pays the pension bills. Accordingly, the Village paid the pension bill it received in 2016 during December 2016. That payment represented nine months of 2016 (April 1, 2016 through December 31, 2016) and three months of 2017 (January 1, 2017 through March 31, 2017). The restatement of fund balance, as shown on the Combined Statement of Revenues, Expenses and Changes in Fund Balances – All Fund Types – Regulatory Basis, was to record the expense associated with the first three months of 2016 (January 1, 2016 through March 31, 2016) that was paid in December 2015 of the previous year.

* * * * * * * * * * *

VILLAGE OF STAMFORD

SCHEDULE OF FUNDING PROGRESS FOR
RETIREE HEALTH BENEFIT PLAN

Year ended May 31, 2017

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)- Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll ( c ) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|---|---|---|---|---|---|---|
| 05/31/2013 | $ - | 265,395 | 265,395 | 0% | 201,528 | 131.70% |
| 05/31/2014 | - | 265,395 | 265,395 | 0% | 208,191 | 127.50% |
| 05/31/2015 | - | 209,367 | 209,367 | 0% | 233,983 | 89.50% |
| 05/31/2016 | - | 209,367 | 209,367 | 0% | 240,262 | 87.14% |
| 05/31/2017 | - | 209,367 | 209,367 | 0% | 244,401 | 85.67% |

See independent auditors' report.

VILLAGE OF STAMFORD

SPECIAL REVENUE FUND

BALANCE SHEET SCHEDULE - REGULATORY BASIS

Year Ended May 31, 2017

| | Water Fund | Sewer Fund | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash | $ 204,191 | $ 395,467 | $ 599,658 |
| Cash - Reserved | 7,519 | 63,563 | 71,082 |
| Other receivables | 48,425 | 71,784 | 120,209 |
| Interfund receivables | 60 | 1,802 | 1,862 |
| Due from other governments | - | - | - |
| Prepaid insurance | 111 | 111 | 222 |
| Total assets | $ 260,306 | $ 532,727 | $ 793,033 |
| LIABILITIES | | | |
| Accounts payable | $ 5,635 | $ 74,233 | $ 79,868 |
| Interfund payable | 47 | 60 | 107 |
| Total liabilities | 5,682 | 74,293 | 79,975 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Advances O & M Grants | - | 75,525 | 75,525 |
| FUND BALANCE | | | |
| Restricted | 7,519 | 63,563 | 71,082 |
| Nonspendable | - | - | - |
| Assigned - Appropriated | - | 35,000 | 35,000 |
| Assigned - Unappropriated | 247,105 | 284,346 | 531,451 |
| Total fund balance | 254,624 | 382,909 | 637,533 |
| Total liabilities, deferred inflows and fund balance | $ 260,306 | $ 532,727 | $ 793,033 |

See independent auditors' report.

VILLAGE OF STAMFORD

SPECIAL REVENUE FUND

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

Year Ended May 31, 2017

| | Water Fund | Sewer Fund | Total |
|---|---|---|---|
| REVENUES | | | |
| Departmental income | $ 233,886 | $ 258,179 | $ 492,065 |
| Intergovernmental charges | - | 504,365 | 504,365 |
| Use of money and property | 6 | 679 | 685 |
| Sale of property and compensation for loss | 353 | - | 353 |
| Miscellaneous local sources | 28,498 | 3 | 28,501 |
| Total revenues | 262,743 | 763,226 | 1,025,969 |
| EXPENDITURES | | | |
| General government support | 12,586 | 24,300 | 36,886 |
| Home and community services | 156,678 | 634,099 | 790,777 |
| Employee benefits | 21,164 | 25,765 | 46,929 |
| Debt service | 59,588 | 43,325 | 102,913 |
| Total expenditures | 250,016 | 727,489 | 977,505 |
| Excess revenues over expenditures | 12,727 | 35,737 | 48,464 |
| OTHER SOURCES (USES) | | | |
| Transfer from other funds | - | 54,602 | 54,602 |
| Transfer to other funds | - | - | - |
| Total other sources (uses) | - | 54,602 | 54,602 |
| NET CHANGE IN FUND BALANCE | 12,727 | 90,339 | 103,066 |
| Fund balance - Beginning of year, as previously stated | 242,481 | 293,571 | 536,052 |
| Restatement of fund balance | (584) | (1,001) | (1,585) |
| Fund balance - Beginning of year, as restated | 241,897 | 292,570 | 534,467 |
| Fund balance - End of year | $ 254,624 | $ 382,909 | $ 637,533 |

See independent auditors' report.

VILLAGE OF STAMFORD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND

Year ended May 31, 2017

| | Original Budget | Final Budget | Actual (Budgetary (Basis) | Final Budget Variance with Budgetary Actual |
|---|---|---|---|---|
| Revenue: | | | | |
| Real property taxes and liens | $ 443,442 | $ 443,442 | $ 465,701 | $ 22,259 |
| Non-property tax items | 22,000 | 40,630 | 51,241 | 10,611 |
| Departmental income | 7,700 | 7,711 | 19,348 | 11,637 |
| Intergovernmental charges | 3,950 | 3,950 | 8,257 | 4,307 |
| Use of money and property | 40,924 | 68,377 | 75,430 | 7,053 |
| Sales of property and compensation of loss | 1,350 | 1,638 | 5,976 | 4,338 |
| Miscellaneous local sources | 500 | 145,520 | 155,249 | 9,729 |
| State aid | 11,500 | 81,947 | 85,178 | 3,231 |
| Total revenue | 531,366 | 793,215 | 866,380 | 73,165 |
| Expenditures: | | | | |
| General governmental support | 110,675 | 121,950 | 122,701 | (751) |
| Public safety | 66,976 | 68,566 | 67,986 | 580 |
| Health | 550 | 483 | 483 | - |
| Transportation | 223,784 | 385,753 | 352,221 | 33,532 |
| Economic assistance and opportunity | - | 19,822 | - | 19,822 |
| Culture and recreation | 29,396 | 91,612 | 73,725 | 17,887 |
| Home and community services | 43,735 | 57,446 | 64,614 | (7,168) |
| Employee benefits | 68,250 | 67,134 | 67,245 | (111) |
| Total expenditures | 543,366 | 812,766 | 748,975 | 63,791 |
| Other sources (uses): | | | | |
| Transfers in/(out) | - | - | - | - |
| Net change in fund balance | (12,000) | (19,551) | 117,405 | 136,956 |
| Fund balance - Beginning of year, as restated | 841,587 | 841,587 | 841,587 | - |
| Fund balance - End of year | $ 829,587 | $ 822,036 | $ 958,992 | $ 136,956 |

See independent auditors' report.

VILLAGE OF STAMFORD

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - WATER FUND

Year ended May 31, 2017

| | Original Budget | Final Budget | Actual (Budgetary (Basis) | Final Budget Variance with Budgetary Actual |
|---|---|---|---|---|
| Revenue: | | | | |
| Departmental income | $ 225,335 | $ 226,819 | $ 233,886 | $ 7,067 |
| Intergovernmental charges | - | - | - | - |
| Use of money and property | 50 | 329 | 6 | (323) |
| Sales of property and compensation of loss | 200 | - | 353 | 353 |
| Miscellaneous local sources | 28,498 | 28,498 | 28,498 | - |
| Total revenue | 254,083 | 255,646 | 262,743 | 7,097 |
| Expenditures: | | | | |
| General governmental support | 57,799 | 12,586 | 12,586 | - |
| Home and community services | 115,191 | 165,744 | 156,678 | 9,066 |
| Employee benefits | 21,505 | 21,228 | 21,164 | 64 |
| Debt service - Principal | 59,588 | 59,588 | 59,588 | - |
| Debt service - Interest | - | - | - | - |
| Total expenditures | 254,083 | 259,146 | 250,016 | 9,130 |
| Other sources (uses): | | | | |
| Transfers in/(out) | - | - | - | - |
| Net change in fund balance | - | (3,500) | 12,727 | 16,227 |
| Fund balance - Beginning of year, as restated | 241,897 | 241,897 | 241,897 | - |
| Fund balance - End of year | $ 241,897 | $ 238,397 | $ 254,624 | $ 16,227 |

See independent auditors' report.

VILLAGE OF STAMFORD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SEWER FUND

Year ended May 31, 2017

| | Original Budget | Final Budget | Actual (Budgetary (Basis) | Final Budget Variance with Budgetary Actual |
|---|---|---|---|---|
| Revenue: | | | | |
| Departmental income | $ 247,100 | $ 247,100 | $ 258,179 | $ 11,079 |
| Intergovernmental charges | 464,389 | 464,389 | 504,365 | 39,976 |
| Use of money and property | 350 | 350 | 679 | 329 |
| Sales of property and compensation of loss | - | - | - | - |
| Miscellaneous local sources | - | - | 3 | 3 |
| Total revenue | 711,839 | 711,839 | 763,226 | 51,387 |
| Expenditures: | | | | |
| General governmental support | 40,363 | 24,301 | 24,300 | 1 |
| Home and community services | 634,886 | 652,571 | 634,099 | 18,472 |
| Employee benefits | 28,265 | 26,642 | 25,765 | 877 |
| Debt service - Principal | 43,325 | 43,325 | 43,325 | - |
| Debt service - Interest | - | - | - | - |
| Total expenditures | 746,839 | 746,839 | 727,489 | 19,350 |
| Other sources (uses): | | | | |
| Transfers in/(out) | - | - | 54,602 | (54,602) |
| Net change in fund balance | (35,000) | (35,000) | 90,339 | 125,339 |
| Fund balance - Beginning of year, as restated | 292,570 | 292,570 | 292,570 | - |
| Fund balance - End of year | $ 257,570 | $ 257,570 | $ 382,909 | $ 125,339 |

See independent auditors' report.