

TOWN OF WILTON
WATER AND SEWER AUTHORITY

FINANCIAL STATEMENTS
DECEMBER 31, 2012

TOWN OF WILTON WATER AND SEWER AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Town Board
Town of Wilton Water and Sewer Authority

We have audited the accompanying statement of net assets of the Town of Wilton Water and Sewer Authority as of and for the year ended December 31, 2012, and the related statement of revenues, expenses and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town of Wilton Water and Sewer Authority as of December 31, 2012, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Town of Wilton Water and Sewer Authority. The supplementary information reported on page 14 is presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information reported on page 14 is the responsibility of management and derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 18, 2013

Organization

The Town of Wilton Water and Sewer Authority (the Authority) provides water supply and distribution as well as sewer services to residents of the Town of Wilton within its service areas. The Authority was created by the State Legislature in 1991. Other than appointing members to the Authority's five member governing board, the Town of Wilton has no oversight responsibility or exerts any control over the Authority.

The Authority has a customer base in excess of 3,000 water and sewer customers.

The Authority currently has three water plants with a total of 27 wells in operation to service its customers. As new housing and commercial developments are approved, the developers are required to construct water distribution lines, sewage collection systems and pumping stations which are then dedicated to the Authority. The Authority also purchases water from the City of Saratoga Springs. This contract allows the Authority the right to purchase up to 250,000 gallons per day at 1 ½ times the City's rate to its users.

In March, 2007, the Authority entered into a contract with the Saratoga County Water Authority to buy 300,000 gallons of water per day at a cost of \$2.11 per 1,000 gallons. From September 2011 until January 2012, the Authority discontinued taking water from the County due to a temporary potability issue. The Saratoga County Water Authority has issued a credit for water that was paid for and not taken during this period.

The funding to provide water services comes primarily from charges for water consumption and various developer fees.

The funding to provide sewer services comes primarily from sewer charges to users and capital improvement fees paid by developers. Sewage from the Town is treated by the Saratoga County Sewer District. The Authority provides the individual collection systems and pumping stations to transfer the sewage to the Saratoga County Sewer District.

The Authority provides the following basic financial statements:

Statement of Net Assets
Statement of Revenues, Expenses and Changes in Net Assets
Statement of Cash Flows

Analysis of Authority's Financial Position

Total net assets at December 31, 2012 was \$20,741,126; this was a decrease of \$44,530 from 2011. Net assets at December 31, 2012 includes contributed capital (net of accumulated depreciation on those assets) of \$7,148,845. Net assets also includes infrastructure replacement and capital improvement reserves totaling \$4,847,982.

Analysis of Authority's Financial Position (Continued)

Total assets at December 31, 2012 was \$22,040,316; this was a decrease of \$220,447 from 2011. Total assets include capital assets as follows:

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
Capital Assets at historical cost	\$ 18,962,845	\$ 18,972,300	\$ (9,455)
Accumulated Depreciation	<u>(5,467,270)</u>	<u>(5,082,719)</u>	<u>384,551</u>
Net Capital Assets	<u>\$ 13,495,575</u>	<u>\$ 13,889,581</u>	<u>\$ 394,006</u>

Due to the lagging economy, there was no increase in capital assets for 2012 for water and sewer lines and pump stations contributed by developers.

Liabilities at December 31, 2012 totaled \$1,299,190; this was a decrease of \$175,917 from 2011. Included in total liabilities is revenue bonds payable of \$1,105,000; this is the debt issued for the construction of the Jones Road Water Plant.

On the Statement of Revenues and Expenses, operating revenue totaled \$1,951,939 for the year ended December 31, 2012; an increase of \$42,059 from 2011. Included in operating revenue is as follows:

	<u>2012</u>	<u>2011</u>
Water Revenues:		
Metered Water Rents	\$ 1,104,167	\$ 1,157,174
Unmetered Water Rents	4,790	4,790
Buy in Fees	138,800	180,800
Interest and Penalties	10,935	11,855
Use of Money	56,491	105,694
Use of Property	49,078	47,649
Developer Fee Revenue	27,295	9,110
Sale of Meters	27,568	6,600
Miscellaneous	<u>13,797</u>	<u>469</u>
Total Water Revenue	<u>1,432,921</u>	<u>1,524,141</u>
Sewer Revenues:		
Sewer Rent Revenue	252,092	247,403
Use of Money	24,231	37,056
Developer Fee Revenue	<u>124,810</u>	<u>101,280</u>
Total Sewer Revenue	<u>401,133</u>	<u>385,739</u>
Capital Project Revenues:		
Miscellaneous	75	-
County Aid	<u>117,810</u>	<u>-</u>
Total Capital Projects Revenue	<u>117,885</u>	<u>-</u>
 Total Operating Revenue	 <u>\$ 1,951,939</u>	 <u>\$ 1,909,880</u>

Analysis of Authority's Financial Position (Continued)

Operating expenses increased \$705,676 from 2011 to a total of \$1,996,469 for the year ended December 31, 2012. Included in operating expenses is as follows:

	<u>2012</u>	<u>2011</u>
Salaries	\$ 189,576	\$ 179,713
Employee Benefits	77,233	67,983
Contractual Services	694,566	574,297
Depreciation and Amortization	424,132	419,160
Interest	40,333	49,640
Total Water and Sewer Expenses	1,425,840	1,290,793
Capital Project Expenses	570,629	-
Total Expenses	<u>\$ 1,996,469</u>	<u>\$ 1,290,793</u>

Analysis of Capital Projects

During 2012, one active Capital Project for the upgrade to the Exit 15 Sewer Pump Station was completed. Total costs for the project were \$570,629. The Authority received a grant from Saratoga County of \$117,810 for this project.

In January 2013, a Capital Project for groundwater exploration and easement acquisition on the east side of the Northway was approved with a preliminary budget of \$40,000.

Future Prospects for the Authority's Finances

Based on a report from the engineers for the Authority, metered consumption figures for 2012 demonstrate that 3,086 equivalent single family homes served during 2012 averaged less than 300 gallons per day. Based upon these consumption figures, it appears that the existing source capacity of the Authority can sustain a total of 10,625 equivalent single family connections. Currently there are 3,086 equivalent single family units connected and there are approximately 132 approved vacant lots (or equivalent residential connections) for which the Authority is committed to provide service.

The Authority has been averaging more than 50 new connections per year and we expect this trend to continue into the foreseeable future. Together with the Jones Road Water Plant, the contract with the city of Saratoga Springs, the contract with the Saratoga County Water Authority and the possibility of a new well field on the east side of the Northway, the Authority will have sufficient supply to provide water for all anticipated growth for the foreseeable future.

Contact Information

For additional information, please contact the Authority's Comptroller at Wilton Water and Sewer Authority, 20 Traver Road, Wilton, New York 12831.

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2012

Assets

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,283,465	\$ -	\$ 1,140	\$ -	\$ 3,284,605
Restricted Cash	2,687,659	2,160,323	-	-	4,847,982
Accounts Receivable	289,564	63,719	-	-	353,283
Inventory	12,025	444	-	-	12,469
Prepaid Expenses	46,402	-	-	-	46,402
Due from Other Funds	65	167,347	-	(167,412)	-
Utility Plant in Service, Net	<u>8,417,680</u>	<u>5,077,895</u>	<u>-</u>	<u>-</u>	<u>13,495,575</u>
Total Assets	<u>\$ 14,736,860</u>	<u>\$ 7,469,728</u>	<u>\$ 1,140</u>	<u>\$ (167,412)</u>	<u>\$ 22,040,316</u>

Liabilities and Net Assets

Accounts Payable and Accrued Expenses	\$ 120,998	\$ 13,642	\$ -	\$ -	\$ 134,640
Bonds Payable	1,105,000	-	-	-	1,105,000
Deferred Revenue	59,550	-	-	-	59,550
Due to Other Funds	<u>166,272</u>	<u>-</u>	<u>1,140</u>	<u>(167,412)</u>	<u>-</u>
Total Liabilities	<u>1,451,820</u>	<u>13,642</u>	<u>1,140</u>	<u>(167,412)</u>	<u>1,299,190</u>

Net Assets

Invested in Capital Assets, Net of

Related Debt	7,577,680	5,077,895	-	-	12,655,575
Replacement Reserve	2,687,659	1,332,069	-	-	4,019,728
Capital Reserve	-	828,254	-	-	828,254
Unrestricted	<u>3,019,701</u>	<u>217,868</u>	<u>-</u>	<u>-</u>	<u>3,237,569</u>

Total Net Assets

	<u>13,285,040</u>	<u>7,456,086</u>	<u>-</u>	<u>-</u>	<u>20,741,126</u>
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Total Liabilities and Net Assets

	<u>\$ 14,736,860</u>	<u>\$ 7,469,728</u>	<u>\$ 1,140</u>	<u>\$ (167,412)</u>	<u>\$ 22,040,316</u>
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TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Operating Revenue				
Water Rent Revenue	\$ 1,119,892	\$ -	-	\$ 1,119,892
Sewer Rent Revenue	-	252,092	-	252,092
Use of Money	56,491	24,231	-	80,722
Use of Property	49,078	-	-	49,078
Developer Fee Revenue	166,095	124,810	-	290,905
Sale of Meters	27,568	-	-	27,568
Miscellaneous Revenue	13,797	-	75	13,872
County Aid	-	-	117,810	117,810
Total Operating Revenue	<u>1,432,921</u>	<u>401,133</u>	<u>117,885</u>	<u>1,951,939</u>
Operating Expense				
Salaries	170,767	18,809	-	189,576
Employee Benefits	68,254	8,979	-	77,233
Contractual Services	579,780	114,786	570,629	1,265,195
Depreciation and Amortization	277,436	146,696	-	424,132
Interest Expense	<u>40,333</u>	-	-	<u>40,333</u>
Total Operating Expenses	<u>1,136,570</u>	<u>289,270</u>	<u>570,629</u>	<u>1,996,469</u>
Operating Transfers In (Out)	-	(429,557)	429,557	-
Increase (Decrease) in Net Assets	296,351	(317,694)	(23,187)	(44,530)
Net Assets, Beginning of Year	<u>12,988,689</u>	<u>7,773,780</u>	<u>23,187</u>	<u>20,785,656</u>
Net Assets, Ending of Year	<u>\$ 13,285,040</u>	<u>\$ 7,456,086</u>	<u>\$ -</u>	<u>\$ 20,741,126</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows from Operating Activities:

Cash Received from Customers and Developers	\$ 1,817,265
Cash Received from County	117,810
Cash Paid to Employees, Contractors and Suppliers	<u>(1,520,698)</u>
Net Cash Provided By Operating Activities	<u>414,377</u>

Cash Flows from Capital and Related Financing Activities:

Purchase of Capital Assets, Net of Sales	(30,126)
Principal Paid on Capital Debt	(255,000)
Interest Paid on Capital Debt	<u>(44,986)</u>
Net Cash Used In Capital and Related Financing Activities	<u>(330,112)</u>

Cash Flows from Investing Activities:

Use of Money and Property	<u>129,800</u>
Net Cash Provided By Investing Activities	<u>129,800</u>

Net Decrease in Cash 214,065

Cash at Beginning of Year 7,918,522

Cash at End of Year \$ 8,132,587

Reconciliation of Operating Income to Net Cash

Provided By Operating Activities:	
Decrease in Net Assets	\$ (44,530)
Add: Non-Operating Cash Flows	
Interest Expense	44,986
Less: Non-Operating Cash Flows	
Use of Money and Property	<u>(129,800)</u>
Operating Loss	(129,344)

Adjustments to Reconcile Operating Loss to Net Cash

Provided By Operating Activities:	
Depreciation and Amortization	424,132
Changes in Assets and Liabilities:	
Receivables	54,283
Inventories	9,557
Prepaid Expenses	(23,334)
Accounts Payable and Accrued Expenses	25,083
Deferred Revenue	<u>54,000</u>

Net Cash Provided By Operating Activities \$ 414,377

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Wilton Water and Sewer Authority, (the "Authority") provides water supply and distribution and sewer services to customers in portions of the Town of Wilton (the "Town"). Additionally, the Authority is actively pursuing the acquisition of existing water systems to expand its existing distribution capabilities.

The Authority, a public benefit Corporation, was established in 1991 for the purpose of issuing revenue bonds to pay for the purchase, future improvement, and construction of the water and sewer system in the Town of Wilton, New York. Among its powers, the Authority may borrow money, issue debt, and require that the Board charge and collect sufficient rates to pay the costs of operating and financing the water and sewer system. The Authority consists of five members, who are appointed by the Town Board of Wilton. The Town of Wilton's accountability for the Authority does not extend beyond making the appointments.

Basis of Accounting

The accompanying financial statements of the Authority have been prepared on the accrual basis of accounting wherein revenue is recognized when earned and expense recognized when incurred. The Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Authority considers certificates of deposit with maturities six months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market.

Utility Plant in Service

Utility plant in service, acquired through either purchase or construction, is stated at cost. Donated water and sewer infrastructure is valued at its estimated fair value at the date donated. Depreciation is computed using the straight-line method based upon estimated depreciable lives as follows:

<u>Classification of Assets</u>	<u>Years</u>
Water supply systems	50
Water and sewer distribution systems	50
Equipment, furniture and fixtures	5-10
Soft costs	5

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Utility Plant in Service (Continued)

Maintenance and repairs are charged to current operations. Major replacements and improvements are capitalized as utility plant.

Income Taxes

The Authority is a municipal entity, which, under federal and state law, is not subject to any income taxes at the federal, state and local levels.

Contributed Capital

Contributed capital is recorded at the estimated fair value of the donated water and sewer infrastructure at the date donated. Depreciation on contributed fixed assets is allocated to contributed capital using the straight-line method over 50 years.

Other Postemployment Benefits

The Authority does not provide postemployment benefits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported could differ from the estimates.

2. CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The Authority's written investment policy was adopted by the Authority's Board and is governed by State statutes. Authority monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Authorized investments include demand accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America, obligations of the State of New York, local municipalities, school districts or district corporations, public authorities and certificates of participation. Collateral is required for demand accounts and certificate of deposits at 100 percent of all deposits not covered by federal deposit insurance.

The carrying amount of checking and time deposits at December 31, 2012 totaled \$8,132,387, with corresponding bank balances of \$8,140,303 which were covered by Federal depository insurance or by collateral held by the Authorities agent in the Authorities name.

TOWN OF WILTON WATER AND SEWER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

3. RESTRICTED ASSETS AND RESTRICTED NET ASSETS

Restricted assets consist of cash, certificates of deposit and related accrued interest for the following purposes:

Replacement Reserve - Water Fund	\$ 2,687,659
Replacement Reserve - Sewer Fund	1,332,069
Capital Reserve - Sewer Fund	<u>828,254</u>
Total Restricted	<u><u>\$ 4,847,982</u></u>

4. UTILITY PLANT IN SERVICE

Utility plant in service is comprised of the following:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Water and sewer supply, distribution and collection systems	\$ 8,578,696	\$ 373,928	\$ 8,952,624
Donated infrastructure	3,033,443	6,499,723	9,533,166
Equipment, furniture and fixtures	<u>436,627</u>	<u>40,428</u>	<u>477,055</u>
	12,048,766	6,914,079	18,962,845
Less: accumulated depreciation	<u>(3,631,086)</u>	<u>(1,836,184)</u>	<u>(5,467,270)</u>
	<u><u>\$ 8,417,680</u></u>	<u><u>\$ 5,077,895</u></u>	<u><u>\$ 13,495,575</u></u>

The purchase price of the original system and all related equipment, furniture and fixtures have been accounted for in the water supply, distribution, and collection systems category. Utility plant additions incurred subsequent to the original purchase of the system are classified by asset category.

Depreciation and amortization was \$424,132 for the year ended December 31, 2012.

5. BONDS PAYABLE

In 2006, the Authority issued \$2,500,000 in revenue bonds for the construction of the Jones Road Water Plant, with interest at 3.65%.

The bonds are due as follows:

<u>Year</u>	<u>Principal Payable</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 265,000	\$ 35,496	\$ 300,496
2014	270,000	25,732	295,732
2015	280,000	15,695	295,695
2016	<u>290,000</u>	<u>5,293</u>	<u>295,293</u>
	<u><u>\$ 1,105,000</u></u>	<u><u>\$ 82,216</u></u>	<u><u>\$ 1,187,216</u></u>

Interest expense was \$40,333 for the year ended December 31, 2012.

6. PENSION PLAN**Pension Description**

The Authority participates in the New York State and Local Employees' Retirement System (ERS), and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide 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 Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue 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 System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of service credit and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for their salary for their entire length of service. 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 Authority is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were \$31,832 for 2012 and \$25,197 for 2011, \$18,397 for 2010. The Authority's contribution made to the System was equal to 100% of the contribution required for the year.

7. INTERFUND TRANSACTIONS

During the course of normal operations, the Authority has transactions between funds including expenditures and transfers. These transactions are recorded as interfund revenues, interfund transfers and expenditures in the respective funds.

Individual interfund receivable and payable balances at December 31, 2012 arising from these transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water Fund	\$ 65	\$ 166,272
Sewer Fund	167,347	-
Capital Projects	-	1,140
	<u>\$ 167,412</u>	<u>\$ 167,412</u>

8. VACATION, PERSONAL AND SICK LEAVE

Permanent employees are granted vacation, personal and sick leave in varying amounts. A maximum of five days of unused vacation may be carried over to a subsequent year. Sick leave may be accumulated to 1,050 hours, however, sick leave is not a vested benefit and is not payable to the employee at termination. No provision has been made in the financial statements for any accumulated leave as of December 31, 2012 because it is considered immaterial by management.

9. LEASE PAYMENTS

The Authority has entered into a lease agreement with the Town of Wilton whereby the Authority has agreed to pay \$6,551 in 2012 with a 3% compounded increase each year beginning in January 2012 with no set expiration date. Rent expense of \$6,551 has been recognized in the year ended December 31, 2012.

10. SUBSEQUENT EVENT

In January 2013, a Capital Project for ground water exploration and easement acquisition on the east side of the Northway was established with an initial budget of \$40,000.

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
DECEMBER 31, 2012

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Operating Revenue				
Water Rent Revenue	\$ 1,127,779	\$ 1,127,779	\$ 1,119,892	\$ (7,887)
Sewer Rent Revenue	246,492	246,492	252,092	5,600
Use of Money	89,868	89,868	80,722	(9,146)
Use of Property	49,809	49,809	49,078	(731)
Developer Fee Revenue	135,950	140,870	290,905	150,035
Sale of Meters	5,000	24,600	27,568	2,968
Miscellaneous Revenue	14,500	14,500	13,872	(628)
County Aid	<u>-</u>	<u>117,810</u>	<u>117,810</u>	<u>-</u>
Total Operating Revenue	<u>1,669,398</u>	<u>1,811,728</u>	<u>1,951,939</u>	<u>140,211</u>
Operating Expense				
Salaries	196,876	196,876	189,576	7,300
Employee Benefits	84,256	89,306	77,233	12,073
Contractual Services	668,258	1,389,635	1,265,195	124,440
Depreciation and Amortization *	-	-	-	-
Interest Expense	44,986	44,986	40,333	4,653
Contingency	<u>156,771</u>	<u>29,577</u>	<u>-</u>	<u>29,577</u>
Total Operating Expenses	<u>1,151,147</u>	<u>1,750,380</u>	<u>1,572,337</u>	<u>178,043</u>
Increase in Net Assets	518,251	61,348	<u>\$ 379,602</u>	<u>\$ 318,254</u>
Capital and Replacement				
Reserve Funding	(158,686)	(158,686)		
Bond Principal Payment	(255,000)	(255,000)		
Capital Asset Acquisition	<u>(46,000)</u>	<u>(65,100)</u>		
Change in Net Assets	<u>\$ 58,565</u>	<u>\$ (417,438)</u>		

* Actual depreciation and amortization of \$424,132 has been adjusted to zero to agree to the budgetary basis of accounting.