

*TOWN OF WILTON*  
*WATER AND SEWER AUTHORITY*

*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2017*

*TOWN OF WILTON WATER AND SEWER AUTHORITY*

*TABLE OF CONTENTS*

*DECEMBER 31, 2017*

---

	<u>Page</u>
Management's Discussion and Analysis	1-3
Independent Auditor's Report	4-5
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9-13
Required Supplementary Information	
Statement of Revenues and Expenses - Budget and Actual	14

## **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 nor exerts any control over the Authority.

The Authority has a customer base of 3,369 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 current price of \$2.242 per 1,000 gallons. The contract allows for price increases of up to 1.5% per year.

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

## **Analysis of Authority's Financial Position**

Total net position at December 31, 2017 was \$24,462,501; this was an increase of \$719,864 from 2016. Net position at December 31, 2017 includes Contributed Capital (net of Accumulated Depreciation on those assets) of \$7,020,662 and this is included in the "Invested in Capital Assets" line item in the Statement of Net Position. Net Position also includes infrastructure replacement and capital improvement reserves totaling \$6,892,604.

**Analysis of Authority's Financial Position (Continued)**

Total assets at December 31, 2017 were \$24,755,625; this is an increase of \$876,063 from 2016.

Total assets include capital assets as follows:

	<u>2017</u>	<u>2016</u>	<u>Increase</u>
Capital Assets at historical cost	\$ 21,572,199	\$ 21,005,014	\$ 567,185
Accumulated Depreciation	<u>(7,573,313)</u>	<u>(7,092,495)</u>	<u>(480,818)</u>
Net Capital Assets	<u>\$ 13,998,886</u>	<u>\$ 13,912,519</u>	<u>\$ 86,367</u>

In 2017, water and sewer lines and pump stations contributed by developers amounted to \$271,655.

Liabilities and deferred inflows of resources at December 31, 2017 totaled \$293,124; this was an increase of \$156,199 from 2016.

On the Statement of Revenues, Expenses and Changes in Net Position, operating revenue totaled \$2,216,284 for the year ended December 31, 2017; a decrease of \$105,499 from 2016. Included in operating revenues are as follows:

	<u>2017</u>	<u>2016</u>
Water Revenues:		
Metered Water Rents	\$ 1,253,292	\$ 1,301,440
Unmetered Water Rents	3,204	3,271
Buy in Fees	178,200	380,600
Interest and Penalties	14,567	16,264
Use of Money	10,063	9,395
Use of Property	84,513	82,051
Developer Fee Revenue	19,345	31,375
Donated Infrastructure	182,525	91,000
Sale of Meters	21,001	23,118
Miscellaneous	<u>1,585</u>	<u>1,514</u>
Total Water Revenue	<u>1,768,295</u>	<u>1,940,028</u>
Sewer Revenues:		
Sewer Rent Revenue	287,943	283,026
Use of Money	4,336	3,549
Donated Infrastructure	89,130	-
Developer Fee Revenue	<u>66,580</u>	<u>95,180</u>
Total Sewer Revenue	<u>447,989</u>	<u>381,755</u>
Total Operating Revenue	<u>\$ 2,216,284</u>	<u>\$ 2,321,783</u>

Operating expenses decreased \$9,374 from 2016 to a total of \$1,496,420 for the year ended December 31, 2017. Included in operating expenses are as follows:

**Analysis of Authority's Financial Position (Continued)**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Salaries	\$ 238,714	\$ 209,472
Employee Benefits	87,519	82,910
Contractual Services	689,369	774,540
Depreciation	480,818	438,872
Total Water and Sewer Expenses	<u>\$ 1,496,420</u>	<u>\$ 1,505,794</u>

**Analysis of Capital Projects**

During 2017, there was one active capital project plus two capital projects in the engineering stages at December 31, 2017.

The first project was to upgrade the Furlong Hills sewer pump station. A total of \$235,726 was expended on this project in 2016 and 2017. A total of \$798,726 was budgeted for this project. The project is being funded by the sewer infrastructure replacement reserve.

The second project was approved with an initial budget of \$10,000 for the engineering costs for the replacement of certain sections of the Ballard Road water main. At December 31, 2017, a total of \$7,148 had been expended on this project. In 2018, the Board increased the budget on this project to \$1,004,425. This project is being funded by the water fund replacement reserve.

The third project was approved with an initial budget of \$10,000 for the engineering costs for the installation of the Traver Road loop project. At December 31, 2017, \$2,620 had been expended on this project. In 2018, the Board increased the budget on this project to \$125,475. The project is being funded by current appropriations.

**Future Prospects for the Authority's Finances**

Based on a report from the engineers for the Authority, metered consumption figures for 2017 demonstrate that service connections during 2017 averaged less than 250 gallons per day. Based upon these consumption figures, it appears that the existing source capacity of the Authority can sustain a total of 12,545 equivalent single family connections. Currently there are 4,095 equivalent single family units connected and there are approximately 383 approved vacant lots (or equivalent residential connections) for which the Authority is committed to provide service.

The Authority has been averaging more than 25 new connections per year and we expect this trend to continue into the foreseeable future. With the Jones Road Water Plant, the contract with the city of Saratoga Springs and the contract with the Saratoga County Water Authority, 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.



**CUSACK & COMPANY**  
**Certified Public Accountants LLC**  
7 AIRPORT PARK BOULEVARD  
LATHAM, NEW YORK 12110  
(518) 786-3550  
FAX (518) 786-1538  
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM  
WWW.CUSACKCPAS.COM

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Town Board  
Town of Wilton Water and Sewer Authority  
Wilton, New York

We have audited the accompanying statement of net position of the Town of Wilton Water and Sewer Authority as of and for the year ended December 31, 2017, and the related statement of revenues, expenses and changes in net position 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 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 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 financial position of the Town of Wilton Water and Sewer Authority as of December 31, 2017, and the changes in financial position and 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 and budgetary comparison information on pages 1 through 3 and page 14, respectively, be presented to supplement the basic financial statements. Such 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 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
June 1, 2018

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

**STATEMENT OF NET POSITION**

DECEMBER 31, 2017

**Assets**

	<b><u>Water Fund</u></b>	<b><u>Sewer Fund</u></b>	<b><u>Capital Projects</u></b>	<b><u>Eliminations</u></b>	<b><u>Total</u></b>
Cash	\$ 3,298,271	\$ -	\$ 1,055	\$ -	\$ 3,299,326
Restricted Cash	4,005,737	2,991,952	-	-	6,997,689
Accounts Receivable	351,648	72,585	-	-	424,233
Inventory	11,155	1,683	-	-	12,838
Prepaid Expenses	22,653	-	-	-	22,653
Due from Other Funds	1,155	148,349	99,654	(249,158)	-
Utility Plant in Service, Net	8,987,335	4,766,058	245,493	-	13,998,886
Total Assets	<u>\$ 16,677,954</u>	<u>\$ 7,980,627</u>	<u>\$ 346,202</u>	<u>\$ (249,158)</u>	<u>\$ 24,755,625</u>

**Liabilities, Deferred Inflows of Resources and Net Position**

Accounts Payable and Accrued Expenses Due to Other Funds	\$ 187,343	\$ 4,377	\$ 99,554	\$ -	\$ 291,274
	<u>151,893</u>	<u>96,110</u>	<u>1,155</u>	<u>(249,158)</u>	<u>-</u>
Total Liabilities	<u>339,236</u>	<u>100,487</u>	<u>100,709</u>	<u>(249,158)</u>	<u>291,274</u>
Deferred Inflows of Resources	<u>1,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>
Net Position					
Invested in Capital Assets	8,987,335	4,766,058	245,493	-	13,998,886
Replacement Reserve	3,991,958	1,852,458	-	-	5,844,416
Capital Reserve	-	1,048,188	-	-	1,048,188
Unrestricted	<u>3,357,575</u>	<u>213,436</u>	<u>-</u>	<u>-</u>	<u>3,571,011</u>
Total Net Position	<u>16,336,868</u>	<u>7,880,140</u>	<u>245,493</u>	<u>-</u>	<u>24,462,501</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 16,677,954</u>	<u>\$ 7,980,627</u>	<u>\$ 346,202</u>	<u>\$ (249,158)</u>	<u>\$ 24,755,625</u>



**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Operating Revenues				
Water Rent Revenue	\$ 1,271,063	\$ -	\$ -	\$ 1,271,063
Sewer Rent Revenue	-	287,943	-	287,943
Use of Money	10,063	4,336	-	14,399
Use of Property	84,513	-	-	84,513
Developer Fee Revenue	197,545	66,580	-	264,125
Donated Infrastructure	182,525	89,130	-	271,655
Sale of Meters	21,001	-	-	21,001
Miscellaneous Revenue	1,585	-	-	1,585
Total Operating Revenues	<u>1,768,295</u>	<u>447,989</u>	<u>-</u>	<u>2,216,284</u>
Operating Expenses				
Salaries	210,472	28,242	-	238,714
Employee Benefits	75,941	11,578	-	87,519
Contractual Services	599,408	89,961	-	689,369
Depreciation	331,001	149,817	-	480,818
Total Operating Expenses	<u>1,216,822</u>	<u>279,598</u>	<u>-</u>	<u>1,496,420</u>
Operating Transfers In (Out), Net	<u>(9,768)</u>	<u>(234,111)</u>	<u>243,879</u>	<u>-</u>
Increase (Decrease) in Net Position	541,705	(65,720)	243,879	719,864
Net Position, Beginning of Year	<u>15,795,163</u>	<u>7,945,860</u>	<u>1,614</u>	<u>23,742,637</u>
Net Position, End of Year	<u>\$ 16,336,868</u>	<u>\$ 7,880,140</u>	<u>\$ 245,493</u>	<u>\$ 24,462,501</u>

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

---

Cash Flows from Operating Activities:

Cash Received from Customers and Developers	\$ 1,811,621
Cash Paid to Employees, Contractors and Suppliers	<u>(854,480)</u>
Net Cash Provided By Operating Activities	957,141

Cash Flows from Capital and Related Financing Activities:

Purchase of Capital Assets	(295,530)
----------------------------	-----------

Cash Flows from Investing Activities:

Use of Money and Property	<u>98,912</u>
---------------------------	---------------

Net Increase in Cash 760,523

Cash and Restricted Cash, Beginning of Year 9,536,492

Cash and Restricted Cash, End of Year \$ 10,297,015

Reconciliation of Operating Income to Net Cash

Provided By (Used In) Operating Activities:	
Increase in Net Assets	\$ 719,864
Less: Non-Operating Cash Flows - Use of Money and Property	<u>(98,912)</u>
Operating Income	620,952

Adjustments to Reconcile Operating Income to Net Cash

Provided By (Used In) Operating Activities:	
Depreciation	480,818
Donated Infrastructure	(271,655)
Changes in Assets and Liabilities:	
Receivables	(32,246)
Inventories	8,572
Prepaid Expenses	(5,499)
Accounts Payable and Accrued Expenses	158,049
Deferred Inflows of Resources	<u>(1,850)</u>

Net Cash Provided By Operating Activities \$ 957,141

Supplemental Schedule of Noncash Transactions:

Donated Infrastructure	<u>\$ 271,655</u>
------------------------	-------------------

**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 expenses recognized when incurred. The Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

*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.

*Other Postemployment Benefits*

The Authority does not provide postemployment benefits.

*Estimates*

The preparation of financial statements in accordance 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, 2017 totaled \$10,297,015, with corresponding bank balances of \$10,301,772 which were covered by Federal depository insurance or by collateral held by the Authorities agent in the Authorities name.

**3. RESTRICTED ASSETS AND RESTRICTED NET POSITION**

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

Replacement Reserve - Water Fund	\$ 3,991,958
Replacement Reserve - Sewer Fund	1,852,458
Capital Reserve - Sewer Fund	<u>1,048,188</u>
Total	<u>\$ 6,892,604</u>



**TOWN OF WILTON WATER AND SEWER AUTHORITY**

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

DECEMBER 31, 2017

**4. UTILITY PLANT IN SERVICE**

Utility plant in service is comprised of the following:

	<b><u>Water Fund</u></b>	<b><u>Sewer Fund</u></b>	<b><u>Capital Projects</u></b>	<b><u>Total</u></b>
Water and sewer supply, distribution and collection systems	\$ 9,320,573	\$ 624,410	\$ -	\$ 9,944,983
Donated infrastructure	3,725,580	6,684,823	-	10,410,403
Equipment, furniture and fixtures	930,893	40,427	-	971,320
Construction in progress	<u>-</u>	<u>-</u>	<u>245,493</u>	<u>245,493</u>
	13,977,046	7,349,660	245,493	21,572,199
Less: accumulated depreciation	<u>(4,989,711)</u>	<u>(2,583,602)</u>	<u>-</u>	<u>(7,573,313)</u>
	<u>\$ 8,987,335</u>	<u>\$ 4,766,058</u>	<u>\$ 245,493</u>	<u>\$13,998,886</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 was \$480,818 for the year ended December 31, 2017.

**5. DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflows of resources is removed and revenue is recognized. Deferred inflows of resources amounted to \$1,850 at December 31, 2017.

**6. PENSION PLAN**

**Pension Description**

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

## 6. PENSION PLAN (CONTINUED)

### Funding Policy

The System is noncontributory except for employees who joined the ERS 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 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 \$28,312 for 2017, \$29,668 for 2016 and \$33,973 for 2015. The Authority's contribution made to the System was equal to 100% of the contribution required for the year.

### *Pension Liabilities and Deferred Inflows and Outflows of Resources Related to Pensions*

At December 31, 2017, the Authority's liability for ERS was \$73,400 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 Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2017, the Authority's proportion was 0.0007812% for ERS.

At December 31, 2017, the Authority's total deferred outflows of resources was \$62,470 and the Authority's total deferred inflows of resources was \$13,703.

At December 31, 2017, no amounts were reported on these financial statements for pension liabilities and deferred inflows and outflows of resources related to pensions as the net effect of these amounts was not deemed material.

## 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, 2017 arising from these transactions were as follows:

	<b><u>Interfund Transfers In</u></b>	<b><u>Interfund Transfers Out</u></b>	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Water Fund	\$ -	\$ 9,768	\$ 1,155	\$ 151,893
Sewer Fund	-	234,111	148,349	96,110
Capital Projects	243,879	-	99,654	1,155
	<u>\$ 243,879</u>	<u>\$ 243,879</u>	<u>\$ 249,158</u>	<u>\$ 249,158</u>

**8. VACATION, PERSONAL AND SICK LEAVE**

Permanent employees are granted vacation, personal and sick leave in varying amounts. A maximum of ten 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, 2017 because it is considered immaterial.

**9. LEASE PAYMENTS**

The Authority has entered into a lease agreement with the Town of Wilton whereby the Authority has agreed to pay \$6,360 in 2011 with a 3% compounded increase each year beginning in January 2012 with no set expiration date. Rent expense of \$7,541 has been recognized for the year ended December 31, 2017 and is included in the contractual services expense account on the statement of revenues, expenses and changes in net position.

**10. SUBSEQUENT EVENTS**

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through June 1, 2018, the date the financial statements were available to be issued.

In 2017, the board approved a capital project for the replacement of certain parts of the Ballard Road water main with an initial budget of \$10,000 for engineering. In 2018, the Board increased the budget to \$1,044,425. The project is being funded through the replacement reserve.

In 2017, the board approved a capital project for the construction of a water main loop on Traver Road with an initial budget of \$10,000 for engineering. In 2018, the budget was increased to \$125,475.

**11. RELATED PARTY TRANSACTIONS**

The son of the Comptroller, who was appointed to the Authority Board by the Wilton Town Board, served as Secretary of the Authority.

During 2017, the daughter of the Comptroller was employed as a clerk by the Authority.

## REQUIRED SUPPLEMENTARY INFORMATION



**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

---

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Favorable Variance</u>
Operating Revenues				
Water Rent Revenue	\$ 1,251,181	\$ 1,211,181	\$ 1,271,063	\$ 59,882
Sewer Rent Revenue	280,289	280,289	287,943	7,654
Use of Money	13,200	13,200	14,399	1,199
Use of Property	83,883	83,883	84,513	630
Developer Fee Revenue	135,950	135,950	264,125	128,175
Donated Infrastructure	-	-	271,655	271,655
Sale of Meters	6,250	18,200	21,001	2,801
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>1,585</u>	<u>1,585</u>
Total Operating Revenues	<u>1,770,753</u>	<u>1,742,703</u>	<u>2,216,284</u>	<u>473,581</u>
Operating Expenses				
Salaries	250,955	250,955	238,714	12,241
Employee Benefits	131,713	131,713	87,519	44,194
Contractual Services	690,730	816,234	689,369	126,865
Depreciation *	-	-	-	-
Contingency	<u>505,770</u>	<u>352,216</u>	<u>-</u>	<u>352,216</u>
Total Operating Expenses	<u>1,579,168</u>	<u>1,551,118</u>	<u>1,015,602</u>	<u>535,516</u>
Increase in Net Position	191,585	191,585	<u>\$ 1,200,682</u>	<u>\$ 1,009,097</u>
Capital and Replacement				
Reserve Funding	-	421,474		
Capital Asset Acquisition	<u>74,000</u>	<u>892,386</u>		
Change in Net Position	<u>\$ 117,585</u>	<u>\$ (1,122,275)</u>		

\* Actual depreciation of \$480,818 has been adjusted to zero to agree to the budgetary basis of accounting.