

*TOWN OF WILTON
WATER AND SEWER AUTHORITY*

*FINANCIAL STATEMENTS
DECEMBER 31, 2007*

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 December 31, 2007 and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The management's discussion and analysis on pages two through four and the statement of revenues and expenses - budget to actual on page 14 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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, 2007 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 30, 2008

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's customer base has tripled since the purchase of the water system in 1992.

The Authority currently has three water plants with a total of 23 wells 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. The water and sewer rents, with the exception of users being provided water from the City of Saratoga, were reduced by 5 percent in 2007.

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 \$2.05 per 1000 gallons. This contract will commence when the County Authority's water plant is operational.

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, 2007 was \$17,429,632; this was an increase of \$1,408,315 over 2006. Net Assets at December 31, 2007 includes Contributed Capital (net of Accumulated Depreciation on those assets) of \$7,482,051. Net Assets also includes Infrastructure Replacement and Capital Improvement Reserves totaling \$2,027,907 as well as Bond Reserve of \$335,599.

TOWN OF WILTON WATER AND SEWER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2007

Analysis of Authority's Financial Position (Continued)

Total Assets at December 31, 2007 was \$19,854,611 this is an increase of \$1,105,156 over 2006. Total assets include capital assets as follows:

	<u>2007</u>	<u>2006</u>	<u>Increase</u>
Capital Assets at historical cost	\$ 17,729,524	\$ 16,854,019	\$ 875,505
Accumulated Depreciation	<u>3,457,223</u>	<u>3,139,133</u>	<u>318,090</u>
Net Capital Assets	<u>\$ 14,272,301</u>	<u>\$ 13,714,886</u>	<u>\$ 557,415</u>

The increase in Capital Assets for 2007 includes water and sewer lines contributed by developers valued at \$486,900.

Liabilities at December 31, 2007 totaled \$2,424,979 ; this is a decrease of \$303,159 from 2006. Included in Total Liabilities is bonds payable of \$2,290,000; this is the debt issued for construction of the Jones Road Water Plant.

On the Statement of Revenues and Expenses, Operating Revenue totaled \$2,490,308 for the year ended December 31, 2007; an increase of \$349,891 from the same period in 2006. Included in Operating Revenue:

	<u>2007</u>	<u>2006</u>
Water Revenues:		
Metered Water Rents	\$ 1,043,071	\$ 1,001,053
Unmetered Water Rents	5,042	5,308
Buy in Fees	191,600	387,200
Interest and Penalties	7,161	10,009
Use of Money	169,332	145,231
Use of Property	42,282	47,718
Developer Fee Revenue	25,750	45,326
Contributed Capital	342,750	32,675
Sale of Meters	28,700	13,550
Miscellaneous	<u>8,567</u>	<u>8,094</u>
Total Water Revenue	<u>1,864,255</u>	<u>1,696,164</u>
Sewer Revenues:		
Sewer Rent Revenue	217,003	207,499
Use of Money	37,468	21,510
Developer Fee Revenue	227,314	152,390
Contributed Capital	144,150	32,580
Miscellaneous	<u>118</u>	<u>30,274</u>
Total Sewer Revenue	<u>626,053</u>	<u>444,253</u>
Total Operating Revenue	<u>\$ 2,490,308</u>	<u>\$ 2,140,417</u>

Analysis of Authority's Financial Position (Continued)

Operating Expenses increased \$9,239 from 2006 to a total of \$1,081,993 for the year ended December 31, 2007. Included in this category are:

	<u>2007</u>	<u>2006</u>
Salaries	\$ 159,015	\$ 144,230
Employee Benefits	52,286	49,937
Contractual Services	447,894	460,498
Depreciation and Amortization	339,213	309,562
Interest	83,585	108,527
	<u>\$ 1,081,993</u>	<u>\$ 1,072,754</u>

Analysis of Capital Projects

At the end of 2007, there were two active Capital Projects in the final stages of completion. These projects are to be funded by transfers from the Water or Sewer funds with the Jones Road Water Plant project to be partially funded with \$2,500,000 in debt issued in 2006. Expenditures of \$363,996 incurred in 2007 and construction in progress as of December 31, 2007 on these projects is as follows:

	<u>2007</u> <u>Expenditures</u>	<u>Construction</u> <u>in Progress</u>
1. Equipment Garage	\$ 60,060	\$ 277,659
2. Jones Road Water Plant	303,936	2,684,528
	<u>\$ 363,996</u>	<u>\$ 2,962,187</u>

These projects were completed in early 2008.

Future Prospects for the Authority's Finances

Based on a report from the engineers for WWSA, metered consumption figures for 2007 demonstrate that 2,513 equivalent single family homes served during 2007 averaged 300 gallons per day. Based upon these consumption figures, it appears that the existing source capacity of the WWSA can sustain a total of 5,313 equivalent single family connections. Currently there are 2,513 equivalent single family units connected and there are approximately 813 vacant lots (or equivalent residential connections) for which the WWSA 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. With the Jones Road Water Plant, the contract with the city of Saratoga Springs and the new contract with the Saratoga County Water Authority, the Authority will have sufficient supply to provide water for all anticipated growth for the foreseeable future.

The location of the Jones Road Water Plant will also allow the Authority to provide water to the Exit 15 commercial area at a cost that is significantly less than is currently charged by the City of Saratoga Springs.

Future Prospects for the Authority's Finances (Continued)

The Saratoga County Sewer District expanded its service area to include all of the Town of Wilton. The Authority continues to negotiate with the County Sewer District to transfer all of its lines and pumping stations to the County. When this occurs, all maintenance, revenues and expenses will be the responsibility of the County Sewer District and the authority will be effectively "out of the sewer business."

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2007

Assets

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 2,860,374	\$ 5,557	\$ 1,065	\$ -	\$ 2,866,996
Restricted Cash	1,367,492	973,626	-	-	2,341,118
Accounts Receivable	265,440	56,277	-	-	321,717
Inventory	15,689	460	5,661	-	21,810
Prepaid Expenses	8,281	-	-	-	8,281
Due from Other Funds	65	525,650	3,252	(528,967)	-
Restricted Assets	12,537	9,851	-	-	22,388
Utility Plant in Service, Net	<u>6,186,050</u>	<u>5,124,064</u>	<u>2,962,187</u>	<u>-</u>	<u>14,272,301</u>
 Total Assets	 <u>\$ 10,715,928</u>	 <u>\$ 6,695,485</u>	 <u>\$ 2,972,165</u>	 <u>\$ (528,967)</u>	 <u>\$ 19,854,611</u>

Liabilities and Net Assets

Accounts Payable and Accrued Expenses	108,590	23,137	3,252	-	134,979
Bonds Payable	2,290,000	-	-	-	2,290,000
Due to Other Funds	<u>524,650</u>	<u>3,252</u>	<u>1,065</u>	<u>(528,967)</u>	<u>-</u>
 Total Liabilities	 <u>2,923,240</u>	 <u>26,389</u>	 <u>4,317</u>	 <u>(528,967)</u>	 <u>2,424,979</u>
 Net Assets					
Contributed Capital	2,444,863	5,037,188	-	-	7,482,051
Replacement Reserve	1,044,430	337,176	-	-	1,381,606
Capital Reserve	-	646,301	-	-	646,301
Bond Reserve	335,599	-	-	-	335,599
Unrestricted	<u>3,967,796</u>	<u>648,431</u>	<u>2,967,848</u>	<u>-</u>	<u>7,584,075</u>
 Total Net Assets	 <u>7,792,688</u>	 <u>6,669,096</u>	 <u>2,967,848</u>	 <u>-</u>	 <u>17,429,632</u>
 Total Liabilities and Net Assets	 <u>\$ 10,715,928</u>	 <u>\$ 6,695,485</u>	 <u>\$ 2,972,165</u>	 <u>\$ (528,967)</u>	 <u>\$ 19,854,611</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u>	<u>Total</u>
Operating Revenue				
Water Rent Revenue	\$ 1,055,274	\$ -	\$ -	\$ 1,055,274
Sewer Rent Revenue	-	217,003	-	217,003
Use of Money	169,332	37,468	-	206,800
Use of Property	42,282	-	-	42,282
Developer Fee Revenue	217,350	227,314	-	444,664
Contributed Capital	342,750	144,150	-	486,900
Sale of Meters	28,700	-	-	28,700
Miscellaneous Revenue	<u>8,567</u>	<u>118</u>	<u>-</u>	<u>8,685</u>
Total Operating Revenue	<u>1,864,255</u>	<u>626,053</u>	<u>-</u>	<u>2,490,308</u>
Operating Expense				
Salaries	143,331	15,684	-	159,015
Employee Benefits	46,509	5,777	-	52,286
Contractual Services	373,914	73,980	-	447,894
Depreciation and Amortization	214,206	125,007	-	339,213
Interest Expense	<u>83,585</u>	<u>-</u>	<u>-</u>	<u>83,585</u>
Total Operating Expenses	<u>861,545</u>	<u>220,448</u>	<u>-</u>	<u>1,081,993</u>
Operating Transfers In/Out	<u>(303,936)</u>	<u>(60,060)</u>	<u>363,996</u>	<u>-</u>
Increase (Decrease) in Net Assets	698,774	345,545	363,996	1,408,315
Net Assets, Beginning of Year	<u>7,093,914</u>	<u>6,323,551</u>	<u>2,603,852</u>	<u>16,021,317</u>
Net Assets, Ending of Year	<u>\$ 7,792,688</u>	<u>\$ 6,669,096</u>	<u>\$ 2,967,848</u>	<u>\$ 17,429,632</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007

Cash Flows from Operating Activities:	
Increase in Net Assets	\$ 1,408,315
Adjustments to Reconcile Change in Net Assets	
Used In Operating Activities:	
Gain on Sale of Equipment	(5,550)
Depreciation and Amortization, Utility Plant in Service	339,213
Contributed Capital	(486,900)
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Assets	
Accounts Receivable	(10,701)
Inventory	(7,515)
Prepaid Expenses	4,284
Restricted Assets	(9,488)
Decrease in Liabilities:	
Accounts Payable and Accrued Expenses	<u>(93,159)</u>
Net Cash Provided By Operating Activities	<u>1,138,499</u>
Cash Flows Used In Investing Activities:	
Proceeds from Sale of Equipment	10,030
Purchase of Property and Equipment	<u>(414,208)</u>
Net Cash Used In Investing Activities	<u>(404,178)</u>
Cash Flows from Financing Activities:	
Repayment of Bonds Payable	<u>(210,000)</u>
Net Cash Flows Used In Financing Activities	<u>(210,000)</u>
Net Increase in Cash	524,321
Cash at Beginning of Year	<u>4,683,793</u>
Cash at End of Year	<u>\$ 5,208,114</u>
Supplementary Disclosure of Cash Flow Information:	
Interest Expense Paid	<u>\$ 41,793</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 expense recognized when incurred. The Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins.

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.

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, 2007 totaled \$5,208,114, with corresponding bank balances of \$5,224,443 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, 2007

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	\$ 1,044,430
Replacement Reserve - Sewer Fund	337,176
Capital Reserve - Sewer Fund	646,301
Bond Reserve - Water Fund	<u>335,599</u>
	<u>\$ 2,363,506</u>
Restricted Cash	\$ 2,341,118
Restricted Assets (Accrued Interest)	<u>22,388</u>
	<u>\$ 2,363,506</u>

4. UTILITY PLANT IN SERVICE

Utility plant in service is comprised of the following:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Water and sewer supply, distribution and collection systems	\$ 5,345,198	\$ 92,301	\$ -	\$ 5,437,499
Donated infrastructure	2,779,068	6,134,771	-	8,913,839
Equipment, furniture and fixtures	403,422	12,577	-	415,999
Construction in progress	<u>-</u>	<u>-</u>	<u>2,962,187</u>	<u>2,962,187</u>
	8,527,688	6,239,649	2,962,187	17,729,524
Less: accumulated depreciation	<u>(2,341,638)</u>	<u>(1,115,585)</u>	<u>-</u>	<u>(3,457,223)</u>
	<u>\$ 6,186,050</u>	<u>\$ 5,124,064</u>	<u>\$ 2,962,187</u>	<u>\$ 14,272,301</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 \$339,213 for the year ended December 31, 2007.

5. BONDS PAYABLE

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

5. BOND PAYABLE (CONTINUED)

The bonds are due as follows:

<u>Year</u>	<u>Principal Payable</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 220,000	\$ 79,570	\$ 299,570
2009	230,000	71,358	301,358
2010	235,000	62,871	297,871
2011	245,000	54,111	299,111
2012	255,000	44,986	299,986
Thereafter	<u>1,105,000</u>	<u>82,216</u>	<u>1,187,216</u>
	<u>\$ 2,290,000</u>	<u>\$ 395,112</u>	<u>\$ 2,685,112</u>

Interest expense was \$83,585 for the year ended December 31, 2007.

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 membership. 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: 2007 - \$12,763, 2006 - \$13,057 and 2005 - \$11,987. 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, 2007 arising from these transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water Fund	\$ 65	\$ 524,650
Sewer Fund	525,650	3,252
Capital Projects	<u>3,252</u>	<u>1,065</u>
	<u>\$ 528,967</u>	<u>\$ 528,967</u>

8. VACATION, PERSONAL AND SICK LEAVE

Permanent employees are granted vacation, personal 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 1000 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, 2007 that was carried over to 2007 because it is considered by management to be immaterial.

9. LEASE PAYMENTS

The Authority has also entered into a lease agreement with the Town of Wilton for five years whereby the Authority has agreed to pay \$500 per month from January 2003 forward. Rent expense of \$6,000 has been recognized in the year ended December 31, 2007.

10. COMMITMENTS

In February 2007, the Authority entered into a contract with the Saratoga County Water Authority to purchase at least 300,000 gallons of potable water per day for a ten year period commencing from the date the Saratoga County Water Authority possesses the operational capacity and ability to deliver the water.

During 2008, the Authority approved a capital project to paint the Exit 16 water tower at an estimated cost of approximately \$277,000.

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
DECEMBER 31, 2007

	<u>Actual</u>	<u>Modified Budget</u>	<u>Variance</u>
Operating Revenue			
Water Rent Revenue	\$ 1,055,274	\$ 989,802	\$ 65,472
Sewer Rent Revenue	217,003	208,092	8,911
Use of Money	206,800	113,352	93,448
Use of Property	42,282	43,072	(790)
Developer Fee Revenue	444,664	200,630	244,034
Contributed Capital	486,900	-	486,900
Sale of Meters	28,700	28,700	-
Miscellaneous Revenue	<u>8,685</u>	<u>9,500</u>	<u>(815)</u>
Total Operating Revenue	<u>2,490,308</u>	<u>1,593,148</u>	<u>897,160</u>
Operating Expense			
Salaries	159,015	160,663	1,648
Employee Benefits	52,286	58,011	5,725
Contractual Services	447,894	567,191	119,297
Depreciation and Amortization	339,213	-	(339,213)
Interest Expense	<u>83,585</u>	<u>83,585</u>	<u>-</u>
Total Operating Expenses	<u>1,081,993</u>	<u>869,450</u>	<u>(213,543)</u>
Increase in Net Assets	<u>\$ 1,408,315</u>	723,698	<u>\$ 684,617</u>
Principal Payment		210,000	
Capital Asset Acquisition		<u>750,983</u>	
Appropriated Net Assets		<u>\$ (237,285)</u>	