

*TOWN OF WILTON*  
*WATER AND SEWER AUTHORITY*

*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2020*

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

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*DECEMBER 31, 2020*

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## **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 3,571 water and sewer customers.

The Authority currently has 3 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 \$2.322 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, 2020 was \$26,575,491; this was an increase of \$552,814 from 2019. Net position at December 31, 2020 includes Contributed Capital (net of Accumulated Depreciation on those assets) of \$6,462,626 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 \$6,919,966.

**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)  
 DECEMBER 31, 2020

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

Total assets at December 31, 2020 were \$26,704,394; this is an increase of \$473,351 from 2019.

Total assets include capital assets as follows:

	<u>2020</u>	<u>2019</u>	<u>Difference</u>
Capital Assets at historical cost	\$ 22,969,013	\$ 22,867,557	\$ 101,456
Accumulated Depreciation	(8,987,384)	(8,485,290)	(502,094)
Net Capital Assets	<u>\$ 13,981,629</u>	<u>\$ 14,382,267</u>	<u>\$ (400,638)</u>

In 2020, water and sewer lines and pump stations contributed by developers amounted to \$0.

Liabilities and deferred inflows of resources at December 31, 2020 totaled \$128,903; this was a decrease of \$79,463 from 2019.

On the Statement of Revenues, Expenses and Changes in Net Position, operating revenue totaled \$2,148,926 for the year ended December 31, 2020; a decrease of \$133,923 from 2019. Included in operating revenues are as follows:

	<u>2020</u>	<u>2019</u>
Water Revenues:		
Metered Water Rents	\$ 1,469,592	\$ 1,349,751
Unmetered Water Rents	3,204	3,204
Buy in Fees	71,200	213,350
Interest and Penalties	8,997	15,877
Use of Money	87,217	123,675
Use of Property	92,350	89,660
Developer Fee Revenue	9,220	7,335
Donated Infrastructure	-	41,250
Sale of Meters	15,450	9,260
Gain on Sale of Vehicle	-	12,600
Miscellaneous	367	7,555
Total Water Revenue	<u>1,757,597</u>	<u>1,873,517</u>
Sewer Revenues:		
Sewer Rent Revenue	303,343	297,013
Use of Money	33,656	48,319
Developer Fee Revenue	54,330	64,000
Total Sewer Revenue	<u>391,329</u>	<u>409,332</u>
Total Operating Revenue	<u>\$ 2,148,926</u>	<u>\$ 2,282,849</u>

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

Operating expenses increased \$4,925 from 2019 to a total of \$1,596,111 for the year ended December 31, 2020. Included in operating expenses are as follows:

	<u>2020</u>	<u>2019</u>
Salaries	\$ 279,732	\$ 269,742
Employee Benefits	143,901	135,838
Contractual Services	670,386	677,151
Bad Debt Expense	-	17,208
Depreciation	502,093	491,247
Total Water and Sewer Expenses	<u>\$ 1,596,112</u>	<u>\$ 1,591,186</u>

**Analysis of Capital Projects**

During 2020, there were two active capital projects and two capital projects that were in the engineering stages at December 31, 2020.

The first project was the 628 Maple Avenue project to bring water from Davidson Drive to Route 9 through property at 628 Maple Avenue which was approved with a budget of \$15,965. Total cost at December 31, 2020 was \$15,965 and was provided from current appropriations.

The second project was to connect the Davidson Drive line installed by the new tax district created by the Town of Wilton to Smith Bridge Road to create a loop. The total budgeted for this extension was \$150,000 and the total expended at December 31, 2020 was \$76,992 that was provided from current appropriations.

The two capital projects in the engineering stages at December 31, 2020 are:

1. The Forest Grove Water Line project was approved with an initial budget of \$10,000. At December 31, 2020, \$174 had been expended on this project. This project will be funded with current appropriations. \$200,000 was added to this budget in March 2020.
2. The Forest Grove Sewer Line project was approved with an initial budget of \$10,000. At December 31, 2020, \$174 had been expended on this project. This project is being funded with the Capital Improvement Reserve. \$200,000 was added to this budget in March 2020.

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

Based on a report from the engineers for the Authority, metered consumption figures for 2020 demonstrate that service connections during 2020 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 10,132 equivalent single family connections. Currently there are 4,417 equivalent single family units connected and there are approximately 91 approved vacant lots (or equivalent residential connections) for which the Authority is committed to provide service. At December 31, 2020 an additional 420 lots are in the approval process.

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 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.

## 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 financial statements of the governmental activities of the Town of Wilton Water and Sewer Authority (the "Authority") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 respective financial position of the governmental activities of the Town of Wilton Water and Sewer Authority as of December 31, 2020, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4, the budgetary comparison information on page 15 and the schedule of proportionate share of net pension liability and employer pension contributions on page 16 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 supplemental 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 responses 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.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



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

Latham, New York  
May 27, 2021



**TOWN OF WILTON WATER AND SEWER AUTHORITY**

STATEMENT OF NET POSITION

DECEMBER 31, 2020

**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	\$ 5,085,538	\$ -	\$ 1,055	\$ -	\$ 5,086,593
Restricted Cash	3,570,231	3,327,248	-	-	6,897,479
Accounts Receivable	391,843	88,809	-	-	480,652
Due from Other Governments	186,020	-	-	-	186,020
Inventory	23,777	805	-	-	24,582
Prepaid Expenses	47,439	-	-	-	47,439
Due from Other Funds	1,055	342,992	3,528	(347,575)	-
Utility Plant in Service, Net	<u>9,215,954</u>	<u>4,672,370</u>	<u>93,305</u>	<u>-</u>	<u>13,981,629</u>
 Total Assets	 <u>\$ 18,521,857</u>	 <u>\$ 8,432,224</u>	 <u>\$ 97,888</u>	 <u>\$ (347,575)</u>	 <u>\$ 26,704,394</u>

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

Accounts Payable and Accrued Expenses	\$ 116,949	\$ 4,726	\$ 3,528	\$ -	\$ 125,203
Due to Other Funds	<u>346,520</u>	<u>-</u>	<u>1,055</u>	<u>(347,575)</u>	<u>-</u>
 Total Liabilities	 <u>463,469</u>	 <u>4,726</u>	 <u>4,583</u>	 <u>(347,575)</u>	 <u>125,203</u>
 Deferred Inflows of Resources	 <u>3,700</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>3,700</u>
 Net Position					
Invested in Capital Assets	9,215,954	4,672,370	93,305	-	13,981,629
Replacement Reserve	3,580,982	2,075,367	-	-	5,656,349
Capital Reserve	-	1,263,617	-	-	1,263,617
Unrestricted	<u>5,257,752</u>	<u>416,144</u>	<u>-</u>	<u>-</u>	<u>5,673,896</u>
 Total Net Position	 <u>18,054,688</u>	 <u>8,427,498</u>	 <u>93,305</u>	 <u>-</u>	 <u>26,575,491</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 18,521,857</u>	 <u>\$ 8,432,224</u>	 <u>\$ 97,888</u>	 <u>\$ (347,575)</u>	 <u>\$ 26,704,394</u>

**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Operating Revenues				
Water Rent Revenue	\$ 1,481,793	\$ -	\$ -	\$ 1,481,793
Sewer Rent Revenue	-	303,343	-	303,343
Use of Money	87,217	33,656	-	120,873
Use of Property	92,350	-	-	92,350
Developer Fee Revenue	80,420	54,330	-	134,750
Sale of Meters	15,450	-	-	15,450
Miscellaneous Revenue	<u>367</u>	<u>-</u>	<u>-</u>	<u>367</u>
Total Operating Revenues	<u>1,757,597</u>	<u>391,329</u>	<u>-</u>	<u>2,148,926</u>
Operating Expenses				
Salaries	244,622	35,110	-	279,732
Employee Benefits	126,155	17,746	-	143,901
Contractual Services	568,311	102,075	-	670,386
Depreciation	<u>344,891</u>	<u>157,202</u>	<u>-</u>	<u>502,093</u>
Total Operating Expenses	<u>1,283,979</u>	<u>312,133</u>	<u>-</u>	<u>1,596,112</u>
Operating Transfers In (Out), Net	<u>708,625</u>	<u>(174)</u>	<u>(708,451)</u>	<u>-</u>
Increase (Decrease) in Net Position	1,182,243	79,022	(708,451)	552,814
Net Position, Beginning of Year	<u>16,872,445</u>	<u>8,348,476</u>	<u>801,756</u>	<u>26,022,677</u>
Net Position, End of Year	<u>\$ 18,054,688</u>	<u>\$ 8,427,498</u>	<u>\$ 93,305</u>	<u>\$ 26,575,491</u>

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

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Cash Flows from Operating Activities:	
Cash Received from Customers and Developers	\$ 1,834,143
Cash Paid to Employees and Related Costs	(423,633)
Cash Paid to Venders	<u>(750,472)</u>
Net Cash Provided By Operating Activities	660,038
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(101,455)
Cash Flows from Investing Activities:	
Use of Money and Property	<u>213,223</u>
Net Increase in Cash	771,806
Cash and Restricted Cash, Beginning of Year	<u>11,212,266</u>
Cash and Restricted Cash, End of Year	<u><u>\$ 11,984,072</u></u>
Reconciliation of Operating Income to Net Cash	
Provided By (Used In) Operating Activities:	
Increase in Net Assets	\$ 552,814
Less: Non-Operating Cash Flows - Use of Money and Property	<u>(213,223)</u>
Operating Income	339,591
Adjustments to Reconcile Operating Income to Net Cash	
Provided By (Used In) Operating Activities:	
Depreciation	502,093
Changes in Assets and Liabilities:	
Accounts Receivable	86,310
Due from Other Governments	(186,020)
Inventory	(156)
Prepaid Expenses	(2,317)
Accounts Payable and Accrued Expenses	(77,613)
Deferred Revenue	<u>(1,850)</u>
Net Cash Provided By Operating Activities	<u><u>\$ 660,038</u></u>

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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**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.

*Inventory*

Inventory is 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 of donation. Depreciation is computed using the straight-line method based on 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

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

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

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

*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 certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance.

The carrying amount of checking and time deposits at December 31, 2020 totaled \$11,984,072, with corresponding bank balances of \$12,031,828 which were covered by Federal depository insurance or by collateral held by the Authority's agent in the Authority's name.

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

Restricted assets consist of cash, certificates of deposit and related accrued interest of \$22,487 (included in accounts receivable on the statement of net position) restricted for the following purposes:

Replacement Reserve - Water Fund	\$ 3,580,982
Replacement Reserve - Sewer Fund	2,075,367
Capital Reserve - Sewer Fund	<u>1,263,617</u>
Total	<u>\$ 6,919,966</u>

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

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**4. UTILITY PLANT IN SERVICE**

Utility plant in service is comprised of the following:

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Capital Projects</b>	<b>Total</b>
Water and sewer supply, distribution and collection systems	\$10,439,750	\$ 893,155	\$ -	\$11,332,905
Donated infrastructure	3,791,830	6,689,534	-	10,481,364
Buildings	-	92,970	-	92,970
Equipment, furniture and fixtures	928,041	40,428	-	968,469
Construction in progress	-	-	93,305	93,305
	<u>15,159,621</u>	<u>7,716,087</u>	<u>93,305</u>	<u>22,969,013</u>
Less: accumulated depreciation	<u>(5,943,667)</u>	<u>(3,043,717)</u>	<u>-</u>	<u>(8,987,384)</u>
	<u>\$ 9,215,954</u>	<u>\$ 4,672,370</u>	<u>\$ 93,305</u>	<u>\$13,981,629</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 \$502,093 for the year ended December 31, 2020.

**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 \$3,700 at December 31, 2020.

**6. DUE FROM OTHER GOVERNMENTS**

During 2020, nineteen residents of Davidson Drive petitioned the Town of Wilton to create a Tax District to provide water to their segment of Davidson Drive. This was approved by the Town and in the map, plan and report for Special Water District #1 that was prepared in accordance with NYS Guidelines, the Authority was to construct the lines and be reimbursed by the Town of Wilton each year as the tax revenues were received. During 2020, \$186,020 was expended on this project and is reported in a long term receivable Due from Other Governments account. This project is expected to be completed in 2021 with the receipt of the tax revenues to begin in 2022 and continue until 2041.

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

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**7. 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 System. The Comptroller shall adopt and may amend rules and regulations for the administration and transactions of the business of the System and for the custody and control of its 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.

*Funding Policy*

The System is noncontributory except for employees who joined the 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 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 \$34,740 for 2020, \$33,105 for 2019 and \$26,726 for 2018. 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, 2020, the Authority's liability for ERS was \$227,363 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, 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 proportionate share 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, 2020, the Authority's proportionate share was 0.0008586% for ERS.

At December 31, 2020, the Authority's total deferred outflows of resources was \$164,064 and the Authority's total deferred inflows of resources was \$11,008.

At December 31, 2020, 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 (a net liability of \$74,307) was not deemed material.

**TOWN OF WILTON WATER AND SEWER AUTHORITY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

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**8. 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 interfund expenditures in the respective funds.

Individual interfund receivable and payable balances at December 31, 2020 arising from these transactions were as follows:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water Fund	\$ 801,756	\$ 93,131	\$ 1,055	\$ 346,520
Sewer Fund	-	174	342,992	-
Capital Projects	<u>93,305</u>	<u>801,756</u>	<u>3,528</u>	<u>1,055</u>
	<u>\$ 895,061</u>	<u>\$ 895,061</u>	<u>\$ 347,575</u>	<u>\$ 347,575</u>

**9. 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, 2020 because it is immaterial.

**10. LEASE PAYMENTS**

The Authority has entered into a lease agreement with the Town of Wilton whereby the Authority agreed to pay \$6,360 in rent expense in 2011 with a 3% compounded increase each year beginning in January 2012 with no set expiration date. Rent expense of \$8,240 has been recognized for the year ended December 31, 2020 and is included in the contractual services expense account on the statement of revenues, expenses and changes in net position.

**11. RELATED PARTY TRANSACTIONS**

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

During 2020, the daughter of the Comptroller was employed as an office manager by the Authority.

**12. SUBSEQUENT EVENTS**

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through May 27, 2021, the date the financial statements were available to be issued. One such event was identified as follows:

The Authority has agreed to enter into a contract with Forest Cove LLC to extend water and sewer lines to a new 321 lot subdivision with the cost (including interest) of the extension to be repaid by Forest Grove LLC to the Authority through a special district lot fee. The total cost of this project is estimated at \$1,092,500, but will be adjusted as bids come in and the work is completed.



**REQUIRED SUPPLEMENTAL INFORMATION**

**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b><u>Original Budget</u></b>	<b><u>Modified Budget</u></b>	<b><u>Actual</u></b>	<b><u>Favorable (Unfavorable) Variance</u></b>
Operating Revenues				
Water Rent Revenue	\$ 1,354,716	\$ 1,354,716	\$ 1,481,793	\$ 127,077
Sewer Rent Revenue	295,627	295,627	303,343	7,716
Use of Money	167,522	167,522	120,873	(46,649)
Use of Property	91,660	91,660	92,350	690
Developer Fee Revenue	135,950	135,950	134,750	(1,200)
Sale of Meters	6,250	16,450	15,450	(1,000)
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>367</u>	<u>367</u>
Total Operating Revenues	<u>2,051,725</u>	<u>2,061,925</u>	<u>2,148,926</u>	<u>87,001</u>
Operating Expenses				
Salaries	281,538	281,538	279,732	1,806
Employee Benefits	145,241	146,342	143,901	2,441
Contractual Services	921,099	973,281	670,386	302,895
Depreciation *	-	-	-	-
Contingency	<u>432,375</u>	<u>389,292</u>	<u>-</u>	<u>389,292</u>
Total Operating Expenses	<u>1,780,253</u>	<u>1,790,453</u>	<u>1,094,019</u>	<u>696,434</u>
Net Operating Transfers In	<u>-</u>	<u>-</u>	<u>708,451</u>	<u>708,451</u>
Increase in Net Position	271,472	271,472	<u>\$ 1,763,358</u>	<u>\$ 1,491,886</u>
Capital and Replacement				
Reserve Funding	243,972	243,972		
Capital Asset Acquisition	<u>27,500</u>	<u>27,500</u>		
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>		

\* Actual depreciation of \$502,093 has been adjusted to zero to agree to the budgetary basis of accounting.

**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND EMPLOYER PENSION CONTRIBUTIONS**  
**DECEMBER 31, 2020**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability	.0008586%	.0008734%	.0007666%	.0007812%	.0007825%
Authority's proportionate share of the net pension liability	\$ 227,363	\$ 61,884	\$ 24,743	\$ 73,400	\$ 125,591
Authority's covered payroll	\$ 279,732	\$ 269,742	\$ 259,576	\$ 238,714	\$ 209,472
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	81.3%	22.9%	9.5%	30.7%	59.9%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.7%	90.6%
Contractually required contribution	\$ 34,740	\$ 33,105	\$ 26,726	\$ 28,312	\$ 29,668
Contributions in relation to the contractually required contribution	\$ 34,740	\$ 33,105	\$ 26,726	\$ 28,312	\$ 29,668
Contribution deficiency (excess)	-	-	-	-	-
Authority's overall payroll	\$ 279,732	\$ 269,742	\$ 259,576	\$ 238,714	\$ 209,472
Contributions as a percentage of covered payroll	12.4%	12.3%	10.3%	11.9%	14.1%

The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

**ADDITIONAL REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Town of Wilton Water and Sewer Authority (the “Authority”), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated May 27, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Latham, New York  
May 27, 2021

**TOWN OF WILTON WATER AND SEWER AUTHORITY**  
*SCHEDULE OF FINDINGS AND RECOMMENDATIONS*  
*DECEMBER 31, 2020*

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**SECTION I — SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No
- Significant deficiency(ies) identified that are material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No
- Noncompliance material to financial statements? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None reported

**Section II - Financial Statement Findings**

None.

**Section III - Compliance Findings**

None.

**ADDITIONAL REPORT ON COMPLIANCE  
WITH LAWS AND REGULATIONS RELATED TO  
INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES**



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MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS RELATED TO INVESTMENT GUIDELINES  
FOR PUBLIC AUTHORITIES**

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

We have examined Town of Wilton Water and Sewer Authority's (the Authority) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the period January 1, 2020 through December 31, 2020. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the period of January 1, 2020 through December 31, 2020.

This report is intended solely for the information and use of the Board of Directors, management and others within the Authority and the New York State Authorities Budget Office, and is not intended to be, and should not be, used by anyone other than these specified parties.



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

Latham, New York  
May 27, 2021