

TOWN OF WILTON
WATER AND SEWER AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2024

TOWN OF WILTON WATER AND SEWER AUTHORITY

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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 3,787 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 and Saratoga County Water Authority. The City 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 County contract allows the Authority the right to purchase 300,000 gallons of water per day at a current price of \$2.392 per 1,000 gallons. The contract allows for price increases of up to 1.5% per year. The price increased to \$2.428 per 1,000 gallons in 2025.

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, 2024 was \$32,164,293; this was an increase of \$1,708,796 from 2023. Net position at December 31, 2024 includes Contributed Capital (net of Accumulated Depreciation on those assets) of \$7,718,159 and this is included in the “Invested in Capital Assets” line item in the Statement of Net Position. Net position also includes infrastructure replacement reserve, capital improvement reserve, and OPEB assignment totaling \$8,664,238.

Total assets at December 31, 2024 were \$32,893,492; this is an increase of \$1,853,674 from 2023.

TOWN OF WILTON WATER AND SEWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2024

Analysis of Authority's Financial Position (Continued)

Total assets include capital assets as follows:

	<u>2024</u>	<u>2023</u>	<u>Difference</u>
Capital Assets at Historical Cost	\$ 27,607,337	\$ 27,198,941	\$ 408,396
Accumulated Depreciation	<u>(10,962,878)</u>	<u>(10,439,886)</u>	<u>(522,992)</u>
Net Capital Assets	<u>\$ 16,644,459</u>	<u>\$ 16,759,055</u>	<u>\$ (114,596)</u>

In 2024, water and sewer lines and pump stations contributed by developers were valued at \$317,450.

Liabilities and deferred inflows of resources at December 31, 2024 totaled \$729,199; this was an increase of \$144,878 from 2023.

On the Statement of Revenues, Expenses and Changes in Net Position, operating revenue totaled \$3,502,863 for the year ended December 31, 2024; an increase of \$697,564 from 2023. Included in operating revenues are as follows:

	<u>2024</u>	<u>2023</u>
Water Revenues:		
Metered Water Rents	\$ 1,526,203	\$ 1,467,700
Unmetered Water Rents	3,204	3,204
Interest and Penalties	13,465	20,088
Use of Money	387,030	249,599
Use of Property	142,442	124,013
Developer Fee Revenue	101,816	34,873
Buy in Fees	463,633	298,000
Sale of Meters	45,203	33,214
Miscellaneous	<u>3,466</u>	<u>2,704</u>
Total Water Revenue	<u>2,686,462</u>	<u>2,233,395</u>
Sewer Revenues:		
Sewer Rent Revenue	325,536	316,922
Use of Money	219,294	130,542
Developer Fee Revenue	<u>271,571</u>	<u>124,440</u>
Total Sewer Revenue	<u>816,401</u>	<u>571,904</u>
 Total Operating Revenue	 <u>\$ 3,502,863</u>	 <u>\$ 2,805,299</u>

Analysis of Authority's Financial Position (Continued)

Operating expenses increased \$296,438 from 2023 to a total of \$2,111,517 for the year ended December 31, 2024. Included in operating expenses are as follows:

	<u>2024</u>	<u>2023</u>
Salaries	\$ 316,490	\$ 276,157
Employee Benefits	309,739	161,304
Contractual Services	962,296	870,643
Depreciation	<u>522,992</u>	<u>506,975</u>
Total Water and Sewer Expenses	<u>\$ 2,111,517</u>	<u>\$ 1,815,079</u>

Analysis of Capital Projects

At December 31, 2024, there were two active Capital Projects as follows:

1. The Ace Sewer Pump Station Rebuild project was approved with a budget of \$611,800. As of December 31, 2024, \$139,520 had been expended on this project. This project is being funded by the Sewer Infrastructure Replacement Reserve.
2. The Edie Road Loop project was approved with a budget of \$1,360,945. As of December 31, 2024, \$1,206,898 had been expended on this project. The project is being funded with current appropriations in the Water Fund.

Future Prospects for the Authority's Finances

Based on a report from the engineers for the Authority, metered consumption figures for 2024 demonstrate that service connections during 2024 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 11,247 equivalent single-family connections. Currently there are 4,785 equivalent single-family units connected and there are approximately 534 approved vacant lots (or equivalent residential connections) for which the Authority is committed to provide service. At December 31, 2024, an additional 350 lots are in the approval process.

The Authority has been averaging more than 50 new connections per year and we expect this trend to continue into the foreseeable future.

In 2025, the Authority commenced transferring all sewer assets and operations to the Saratoga County Sewer District #1.

Contact Information

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Town of Wilton Water and Sewer Authority (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Wilton Water and Sewer Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Town of Wilton Water and Sewer Authority, as of December 31, 2024, and the respective changes in 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Wilton Water and Sewer Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wilton Water and Sewer Authority's ability to continue as a going concern for twelve months

beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Wilton Water and Sewer Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wilton Water and Sewer Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1–3 and the supplementary information on pages 19-21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 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 21, 2025, on our consideration of the Town of Wilton Water and Sewer 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 Town of Wilton Water and Sewer 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 Town of Wilton Water and Sewer Authority's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 21, 2025

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF NET POSITION

DECEMBER 31, 2024

Assets and Deferred Outflows of Resources

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
Cash	\$ 6,672,603	\$ -	\$ -	\$ -	\$ 6,672,603
Restricted Cash	4,791,145	3,803,669	-	-	8,594,814
Accounts Receivable	503,125	84,957	-	-	588,082
Due from Other Governments	227,712	-	-	-	227,712
Inventory	33,243	957	-	-	34,200
Prepaid Expenses	32,903	-	-	-	32,903
Due from Other Funds	-	613,405	-	(613,405)	-
Utility Plants in Service, Net	9,782,762	5,515,279	-	-	15,298,041
Nondepreciable Construction in Progress	<u>-</u>	<u>-</u>	<u>1,346,418</u>	<u>-</u>	<u>1,346,418</u>
Total Assets	22,043,493	10,018,267	1,346,418	(613,405)	32,794,773
Deferred Outflows of Resources	<u>98,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,719</u>
Total Assets and Deferred Outflows of Resources	<u>\$22,142,212</u>	<u>\$10,018,267</u>	<u>\$ 1,346,418</u>	<u>\$ (613,405)</u>	<u>\$32,893,492</u>

Liabilities, Deferred Inflows of Resources and Net Position

Accounts Payable and Accrued Expenses	\$ 229,445	\$ 40,820	\$ -	\$ -	270,265
Due to Other Funds	613,405	-	-	(613,405)	-
Postemployment Benefits Liability	<u>430,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,650</u>
Total Liabilities	<u>1,273,500</u>	<u>40,820</u>	<u>-</u>	<u>(613,405)</u>	<u>700,915</u>
Deferred Inflows of Resources	<u>28,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,284</u>
Net Position					
Invested in Capital Assets	9,782,762	5,515,279	1,346,418	-	16,644,459
Replacement Reserve	4,635,413	2,478,726	-	-	7,114,139
Capital Reserve	-	1,304,077	-	-	1,304,077
OPEB Assignment	223,052	22,970	-	-	246,022
Unrestricted	<u>6,199,201</u>	<u>656,395</u>	<u>-</u>	<u>-</u>	<u>6,855,596</u>
Total Net Position	<u>20,840,428</u>	<u>9,977,447</u>	<u>1,346,418</u>	<u>-</u>	<u>32,164,293</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$22,142,212</u>	<u>\$10,018,267</u>	<u>\$ 1,346,418</u>	<u>\$ (613,405)</u>	<u>\$32,893,492</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Operating Revenues				
Water Rent Revenue	\$ 1,542,872	\$ -	\$ -	\$ 1,542,872
Sewer Rent Revenue	-	325,536	-	325,536
Use of Money	387,030	219,294	-	606,324
Use of Property	142,442	-	-	142,442
Developer Fee Revenue	565,449	271,571	-	837,020
Sale of Meters	45,203	-	-	45,203
Miscellaneous Revenue	<u>3,466</u>	<u>-</u>	<u>-</u>	<u>3,466</u>
Total Operating Revenues	<u>2,686,462</u>	<u>816,401</u>	<u>-</u>	<u>3,502,863</u>
Operating Expenses				
Salaries	269,269	47,221	-	316,490
Employee Benefits	294,083	15,656	-	309,739
Contractual Services	819,262	143,034	-	962,296
Depreciation	<u>334,986</u>	<u>188,006</u>	<u>-</u>	<u>522,992</u>
Total Operating Expenses	<u>1,717,600</u>	<u>393,917</u>	<u>-</u>	<u>2,111,517</u>
Other Financing Sources (Uses)				
Operating Transfers In (Out)	(20,098)	-	20,098	-
Donated Infrastructure	<u>317,450</u>	<u>-</u>	<u>-</u>	<u>317,450</u>
Total Other Financing Sources (Uses)	<u>297,352</u>	<u>-</u>	<u>20,098</u>	<u>317,450</u>
Change in Net Position	1,266,214	422,484	20,098	1,708,796
Net Position, Beginning of Year	<u>19,574,214</u>	<u>9,554,963</u>	<u>1,326,320</u>	<u>30,455,497</u>
Net Position, End of Year	<u>\$ 20,840,428</u>	<u>\$ 9,977,447</u>	<u>\$ 1,346,418</u>	<u>\$ 32,164,293</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

Cash Flows from Operating Activities:	
Cash Received from Customers and Developers	\$ 2,929,440
Cash Paid to Employees and Related Costs	(576,331)
Cash Paid to Vendors	<u>(841,457)</u>
Net Cash Provided By Operating Activities	1,511,652
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(90,946)
Cash Flows from Investing Activities:	
Use of Money and Property	<u>748,766</u>
Net Change in Cash	2,169,472
Cash and Restricted Cash, Beginning of Year	<u>13,097,945</u>
Cash and Restricted Cash, End of Year	<u>\$ 15,267,417</u>
Reconciliation of Operating Revenues to Net Cash Provided By (Used In) Operating Activities:	
Change in Net Position	1,708,796
Less: Non-Operating Cash Flows - Use of Money and Property	<u>(748,766)</u>
Operating Revenues	960,030
Adjustments to Reconcile Operating Revenues to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	522,992
Donated Infrastructure	(317,450)
Changes in Assets and Liabilities:	
Accounts Receivable	159,042
Due from Other Governments	11,417
Inventory	17,872
Prepaid Expenses	2,662
Deferred Outflows of Resources	10,209
Accounts Payable and Accrued Expenses	100,305
Postemployment Benefits Liability	39,689
Deferred Revenue	<u>4,884</u>
Net Cash Provided By Operating Activities	<u>\$ 1,511,652</u>
Supplemental Schedule of Noncash Investing Activities:	
Donated Infrastructure	<u>\$ 317,450</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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 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. The Authority is not a component unit of the Town.

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.

Accounts Receivable

Accounts receivable are shown as gross with uncollectible amounts recognized using the direct write-off method. No allowance for uncollectible accounts has been provided since it is estimated that such allowance would not be material.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or market and consists of meters and related parts.

Utility Plants in Service

Utility plants 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>Classifications 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

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

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

Utility Plants in Service (Continued)

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

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

In addition to providing pension benefits, the Authority provides health insurance coverage for retired employees and their survivors. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. (See Note 8 for additional information on GASB 75).

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.

New Accounting Pronouncement

GASB Statement No. 101

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement is effective for years beginning after December 15, 2023 which the Authority adopted.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

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, 2024 totaled \$15,267,417, with corresponding bank balances of \$15,268,762 which were covered by Federal depository insurance or by collateral held by the Authority's agent in the Authority's name.

3. RESTRICTED ASSETS, RESTRICTED NET POSITION AND ASSIGNED NET POSITION

Restricted assets consist of cash, certificates of deposit and related accrued interest of \$176,598 for the following purposes:

Replacement Reserve - Water Fund	\$ 4,635,413
Replacement Reserve - Sewer Fund	\$ 2,478,726
Capital Reserve - Sewer Fund	\$ 1,304,077

Assigned net position consist of the following:

OPEB Assignment for future cost increases - Water Fund	\$ 223,052
OPEB Assignment for future cost increases - Sewer Fund	\$ 22,970

4. UTILITY PLANTS IN SERVICE

Utility plants in service is comprised of the following:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Water and sewer supply, distribution and collection systems	\$ 10,941,703	\$ 1,315,707	\$ -	\$ 12,257,410
Donated infrastructure	5,095,527	7,590,854	-	12,686,381
Buildings	-	289,923	-	289,923
Equipment, furniture and fixtures	986,777	40,428	-	1,027,205
Construction in progress	-	-	1,346,418	1,346,418
	17,024,007	9,236,912	1,346,418	27,607,337
Less: accumulated depreciation	(7,241,245)	(3,721,633)	-	(10,962,878)
	<u>\$ 9,782,762</u>	<u>\$ 5,515,279</u>	<u>\$ 1,346,418</u>	<u>\$ 16,644,459</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.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

4. UTILITY PLANTS IN SERVICE (CONTINUED)

Utility plant additions incurred subsequent to the original purchase of the system are classified by asset category.

Depreciation was \$522,992 for the year ended December 31, 2024.

5. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources arise when potential expenses do 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 outflows of resources are removed and expenses are recognized. Deferred outflows of resources amounted to \$98,719 at December 31, 2024.

6. 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 are removed and revenue is recognized. Deferred inflows of resources amounted to \$28,284 at December 31, 2024.

7. 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. A total of \$261,377 was expended on this project with the receipt of the tax revenues to begin in 2022 and continue until 2041. During 2024, \$15,602 (including \$4,185 in interest) was received by the Authority, leaving a balance of \$227,712 as of December 31, 2024.

8. PENSION PLAN

Plan 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, 110 State Street, Albany, New York 12236.

8. PENSION PLAN (CONTINUED)

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 \$38,651 for 2024, \$28,148 for 2023, and \$22,895 for 2022. The Authority's contribution made to the System was equal to 100% of the contribution required for the year.

Pension (Assets) Liabilities and Deferred Inflows and Outflows of Resources Related to Pensions

At December 31, 2024, the Authority's liability for ERS was \$83,594 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension asset 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, 2024, the Authority's proportionate share was 0.0005677% for ERS.

At December 31, 2024, the Authority's total deferred outflows of resources was \$96,308 and the Authority's total deferred inflows of resources was \$55,206.

At December 31, 2024, 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 \$42,492) was not deemed material.

9. POSTEMPLOYMENT BENEFITS

Plan Description

In 2022, the Authority approved providing certain health care benefits for qualified retired employees and their spouses. Retirees will contribute a portion of the premiums for individual and spousal coverage. This contribution is due to the Authority at the beginning of each quarter. In the event a retiree predeceases the spouse, coverage for the spouse will continue. Coverage for a spouse will cease at the time of divorce or legal separation. An employee who leaves employment due to disciplinary action is not eligible for health insurance as a retiree.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

9. POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

The Authority will provide health insurance through its current health insurance provided until the retiree or their spouse is eligible for Medicare. Thereafter, Medicare will be the primary payer and the Authority's Medicare Advantage Plan health insurance will be the secondary payer.

The Retiree's contribution rate will be based on the percentage it was as an active employee at the time of retirement as adjusted each year by the Board of Directors.

The Authority will also reimburse a portion of the Medicare premiums of the retiree and spouses covered by the Authority's health insurance. The amount reimbursed will be determined during the budget process and will be paid quarterly. This reimbursement will cease at the death of the retiree.

The Authority's Board of Directors may at its discretion change the health insurance plan at any time, including but not limited to, type of coverage, retirees' contributions and type of carrier.

Funding Policy and Eligibility

Eligible employees must be:

- a. 55 years of age
- b. have a minimum of 15 years of continuous fulltime service with the Authority
- c. Retire directly from the Authority
- d. be eligible to retire under the NYS Employees and Retirement System

Employees covered by benefit terms - At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefit payments	-
Inactive plan members entitled to but not yet receiving benefits	-
Retired plan members	-
Active plan members	<u>3</u>
Total plan members	<u><u>3</u></u>

Total OPEB Liability

The Authority's total OPEB liability of \$430,650 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

9. POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.10%
Salary Increases, Including Wage Inflation	Varied by years of service and retirement system
Discount Rate	3.26%
Healthcare Cost Trend Rates	7.50% for 2024 decreasing to an ultimate rate of 4.54% by 2090.

The discount rate was based on Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on the April 1, 2010 - March 31, 2015 NYSLRA experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period April, 2010 – March 31, 2015.

Changes in the Net OPEB Liability

Changes in the Authority's net OPEB liability were as follows:

Balance at December 31, 2023	<u>\$ 390,961</u>
Changes for the year:	
Service cost	27,830
Interest	13,624
Assumption changes	-
Differences between actual and expected experience	-
Benefit Payments	<u>(1,765)</u>
Net Changes	<u>39,689</u>
Balance at December 31, 2024	<u>\$ 430,650</u>

Changes of benefit terms reflect changes in assumptions and other inputs.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

9. POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Authority's total OPEB liability, as well as what the Authority's total OPEB liability would be if it were calculated using discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease <u>(2.26%)</u>	OPEB Liability <u>(3.26%)</u>	1% Increase <u>(4.26%)</u>
Total OPEB liability	\$ 490,182	\$ 430,650	\$ 384,850

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare care trend rate:

	1% Decrease	Healthcare Trends (7.5%)	1% Increase
Total OPEB Liability	\$ 362,314	\$ 430,650	\$ 523,758

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Authority recognized OPEB expense of \$49,898. At December 31, 2024, the Authority reported deferred inflows and deferred outflows of resources related to OPEB of \$0 and \$98,719 respectively, relating to changes of assumptions or other inputs.

Amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	Net Amount of Deferred (Inflows) and Outflows
2025	\$ 10,209
2026	10,209
2027	10,209
2028	10,209
2029	10,209
Thereafter	<u>47,674</u>
	<u>\$ 98,719</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

10. 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, 2024 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	\$ -	\$ 20,098	\$ -	\$ 613,405
Sewer Fund	-	-	613,405	-
Capital Projects	<u>20,098</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,098</u>	<u>\$ 20,098</u>	<u>\$ 613,405</u>	<u>\$ 613,405</u>

11. 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 1,750 hours, however, sick leave is not a vested benefit and is not payable to the employee at termination. Unused sick leave can be used to pay for retiree health insurance costs. Accrued leave benefits was \$130,977 at December 31, 2024 and is included in accounts payable and accrued expenses on the statement of net position.

12. RELATED PARTY TRANSACTIONS

During 2024, the daughter of the Authority's Comptroller was employed as an office manager by the Authority.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through May 21, 2025, the date the financial statements were available to be issued. One such event was identified. In 2025, the Authority commenced transferring all sewer assets and operations to the Saratoga County Sewer District #1.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Operating Revenues				
Water Rent Revenue	\$ 1,480,099	\$ 1,480,099	\$ 1,542,872	\$ 62,773
Sewer Rent Revenue	316,283	316,283	325,536	9,253
Use of Money	468,723	468,723	606,324	137,601
Use of Property	141,552	141,552	142,442	890
Developer Fee Revenue	228,323	228,323	837,020	608,697
Sale of Meters	14,375	29,375	45,203	15,828
Sale of Equipment	35,000	35,000	-	(35,000)
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>3,466</u>	<u>3,466</u>
Total Operating Revenues	<u>2,684,355</u>	<u>2,699,355</u>	<u>3,502,863</u>	<u>803,508</u>
Operating Expenses				
Salaries	293,840	333,410	316,490	16,920
Employee Benefits***	133,170	193,223	309,739	(116,516)
Contractual Services	1,030,405	1,368,173	962,296	405,877
Depreciation **	-	-	-	-
Contingency	<u>580,973</u>	<u>340,715</u>	<u>-</u>	<u>340,715</u>
Total Operating Expenses	<u>2,038,388</u>	<u>2,235,521</u>	<u>1,588,525</u>	<u>646,996</u>
Other Financing Sources (Uses)				
Operating Transfers Out	-	-	(20,098)	(20,098)
Donated Infrastructure *	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(20,098)</u>	<u>(20,098)</u>
Change in Net Position	645,967	463,834	<u>\$ 1,894,240</u>	<u>\$ 1,430,406</u>
Capital and Replacement				
Reserve Funding	268,402	268,402		
OPEB Assignment Funding	16,000	16,000		
Interest Income Reserve	282,065	12,216		
Capital Asset Acquisition	<u>79,500</u>	<u>167,216</u>		
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>		

* Actual donated infrastructure of \$317,450 has been adjusted to zero to agree with the budgetary basis of accounting.

** Actual depreciation of \$522,992 has been adjusted to zero to agree to the budgetary basis of accounting.

*** Unfavorable variance was due to the implementation of GASB 101.

TOWN OF WILTON WATER AND SEWER AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION (ASSET) LIABILITY AND EMPLOYER PENSION CONTRIBUTIONS
DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension (asset) liability	0.0005677%	.0006079%	.0008696%	.0008327%	.0008586%	.0008734%	.0007666%	.0007812%	.0007825%
Authority's proportionate share of the net pension (asset) liability	\$ 83,594	\$ 130,365	\$ (71,090)	\$ 829	\$ 227,363	\$ 61,884	\$ 24,743	\$ 73,400	\$ 125,591
Authority's covered payroll	\$ 294,316	\$ 250,562	\$ 229,496	\$ 212,177	\$ 279,732	\$ 269,742	\$ 259,576	\$ 238,714	\$ 209,472
Authority's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	28.4%	52.0%	(30.9%)	.39%	81.3%	22.9%	9.5%	30.7%	59.9%
Plan fiduciary net position as a percentage of the total pension (asset) liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.6%
Contractually required contribution	\$ 38,651	\$ 28,148	\$ 22,895	\$ 41,707	\$ 34,740	\$ 33,105	\$ 26,726	\$ 28,312	\$ 29,668
Contributions in relation to the contractually required contribution	\$ 38,651	\$ 28,148	\$ 22,895	\$ 41,707	\$ 34,740	\$ 33,105	\$ 26,726	\$ 28,312	\$ 29,668
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	13.1%	11.2%	9.9%	19.7%	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.

The information for the years prior to the implementation of GASB 68 is unavailable and will be completed each year going forward as it becomes available.

TOWN OF WILTON WATER AND SEWER AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Total OPEB Liability

Measurement date	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
Service cost	\$ 27,830	\$ 26,951	\$ 397,470
Interest	13,624	12,343	-
Changes in assumptions and other inputs	-	59,420	(109,557)
Differences between actual and expected experience	-	59,717	-
Benefit payments	<u>(1,765)</u>	<u>-</u>	<u>(55,383)</u>
Net Change in Total OPEB Liability	39,689	158,431	232,530
Total OPEB Liability, Beginning of Year	<u>390,961</u>	<u>232,530</u>	<u>-</u>
Total OPEB Liability, End of Year	<u>\$ 430,650</u>	<u>\$ 390,961</u>	<u>\$ 232,530</u>
Covered-employee payroll	\$ 258,446	\$ 249,706	\$ 224,737
Total OPEB Liability as a percentage of covered-employee payroll	166.63%	156.57%	103.47%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available. Additionally, the amounts presented for each fiscal year were determined as of each fiscal year were determined as of the measurement date.

**ADDITIONAL REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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**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

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 business-type activities of the Town of Wilton Water and Sewer Authority (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Wilton Water and Sewer Authority’s basic financial statements, and have issued our report thereon dated May 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wilton Water and Sewer 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wilton Water and Sewer Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wilton Water and Sewer 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wilton Water and Sewer 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 21, 2025

TOWN OF WILTON WATER AND SEWER AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ Yes	___ <u>x</u> ___ No
• Significant deficiency(ies) identified?	_____ Yes	___ <u>x</u> ___ No
• Noncompliance material to financial statements noted?	_____ Yes	___ <u>x</u> ___ None reported

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – COMPLIANCE FINDINGS

None.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 2925(3)(F)
OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

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 business-type activities of the Town of Wilton Water and Sewer Authority, (the "Authority"), as of and for the year ended December 31, 2024, 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 21, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's Investment Guidelines, The New York State Comptroller's Investment Guidelines, or Section 2925(3)(F) of the NYS Public Authorities Law during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such investment guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above rules and regulations.

This report is intended solely for the information and use of management and the members of the board of the Authority and the Office of the State Comptroller of the State of New York. It 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 21, 2025

***DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE
TOWN OF WILTON WATER AND SEWER AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023***

DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE TOWN OF WILTON WATER AND SEWER AUTHORITY
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DECEMBER 31, 2024 AND 2023

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Trustees and Participants
Deferred Compensation Plan for Employees of the
Town of Wilton Water and Sewer Authority

Plan management is responsible for the accompanying financial statements of the Deferred Compensation Plan for Employees of the Town of Wilton Water and Sewer Authority (an employee benefit plan), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by plan management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Plan management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Plan's net assets available for benefits and changes in its net assets available for benefits. Accordingly, the financial statements are not designed for those who are not informed about such matters.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 21, 2025

DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Investments, at Fair Value:		
Fixed Investment Options	\$ 389,420	\$ 404,177
Variable Investment Options	<u>157,787</u>	<u>98,172</u>
 Total Investments and Net Assets Available for Benefits	 <u>\$ 547,207</u>	 <u>\$ 502,349</u>

DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Additions</u>		
Additions to net assets attributed to:		
Investment income:		
Net investment income (loss)	\$ 23,761	\$ 23,547
Contributions:		
Participants	<u>21,097</u>	<u>26,673</u>
Net increase in net assets available for benefits	44,858	50,220
Net assets available for benefits, beginning of year	<u>502,349</u>	<u>452,129</u>
Net assets available for benefits, end of year	<u>\$ 547,207</u>	<u>\$ 502,349</u>

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May 21, 2025

Members of the Board
Town of Wilton Water and Sewer Authority
20 Traver Road
Gansevoort, New York 12831

We have audited the financial statements of the business-type activities of the Town of Wilton Water and Sewer Authority for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Wilton Water and Sewer Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Town of Wilton Water and Sewer Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The Town of Wilton Water and Sewer Authority has one passed adjustment relating to a net pension liability in the amount of \$42,492. Management has determined that the effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatement or the matters underlying it could potentially cause future period financial statements to be materially misstated, even though, in our judgment, the uncorrected misstatement is immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole, except as provided in the attached schedule, as applicable.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 21, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Wilton Water and Sewer Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Wilton Water and Sewer Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management

regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the members of the board and management of the Town of Wilton Water and Sewer Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Town of Wilton Water Fund

Adjusting Journal Entries

January 1, 2024 - December 31, 2024

Schedule 1

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
12/31/24	AJE01		To adjust accrual leave at year end				(130,977.00)
		9000.00870	Leave Benefit Expense		130,977.00		
		0002.00620	Accrued Leave			130,977.00	
Totals for Adjusting Journal Entries					<u>130,977.00</u>	<u>130,977.00</u>	<u>(130,977.00)</u>
Report Totals					<u>130,977.00</u>	<u>130,977.00</u>	<u>(130,977.00)</u>

Journal Entry count = 1

CUSACK & COMPANY
Certified Public Accountants LLC

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MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

May 21, 2025

To the Trustees and Participants
Deferred Compensation Plan for Employees of the Town
of Wilton Water and Sewer Authority

We have performed the procedures enumerated below, which were agreed to by The Town of Wilton Water and Sewer Authority solely to conduct a review of the Deferred Compensation Plan for Employees of the Town of Wilton Water and Sewer Authority (the plan) activities during the plan year ended December 31, 2024. Plan management is responsible for the preparation and fair presentation of the financial statements, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the net assets available for benefit of the plan. This agreed-upon procedures engagement was conducted in accordance with standards established by the New York State Deferred Compensation Board. The sufficiency of these procedures is solely the responsibility of the Town of Wilton Water and Sewer Authority. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

Procedure 1:

Determine that participant account balances, by investment option and in the aggregate as of the plan-year end, as reported by the administrative service agency for the plan, agree to the value of the assets held by the trustee of the plan by investment option and in the aggregate as of plan-year end.

Findings:

Procedure 1 performed without exception.

Procedure 2:

Determine that participant deferrals reported by the plan sponsor, by individual participant and in the aggregate, for the plan year agree with the deferrals received by the trustee of the plan for the plan year.

Findings:

Procedure 2 performed without exception.

Procedure 3:

Determine that participant deferrals for the plan year were properly authorized and accurately remitted to the trustee of the plan in accordance with the timing and other requirements of the plan document (or industry practice if no direction is provided in the plan document).

Findings:

Procedure 3 performed without exception.

Procedure 4:

Determine that the plan properly and separately accounted for pre-tax and, if applicable, designated Roth contributions deferred or contributed for the plan year.

Findings:

Procedure 4 performed without exception.

Procedure 5:

Determine that maximum contribution limitations and minimum required distribution requirements were properly implemented for the plan year.

Findings:

Procedure 5 performed without exception.

Procedure 6:

Determine that participant requests for lump sum and installment benefit distributions for the plan year were properly authorized and processed in accordance with the plan document and contractual provisions (or industry practice, if no direction is provided in the plan document or applicable contracts).

Findings:

Procedure 6 performed without exception.

Procedure 7:

Determine that participant requests for unforeseeable emergency withdrawals during the plan year were processed according to written procedures, properly authorized and properly documented.

Findings:

Procedure 7 performed without exception.

Procedure 8:

Determine that participant requests for plan loans during the plan year were processed according to written procedures and were properly authorized and documented.

Findings:

Procedure 8 performed without exception.

Procedure 9:

Determine that participant requests for deferral amount changes and asset allocation changes for the plan year were processed accurately and in a timely manner in accordance with the plan document and applicable contract provisions (or industry practice, if no direction is provided in the plan document or applicable contracts).

Findings:

Procedure 9 performed without exception.

Procedure 10:

Determine that all plan-level and participant-level fees for the plan year were disclosed to participants, were allocated in accordance with written procedures and on a uniform basis and were assessed solely to support operations of the plan.

Findings:

Procedure 10 performed without exception.

Procedure 11:

Determine that, for the plan year, employees who were eligible during that plan year to elect to participate in the plan were provided with written notification of the plan and enrollment opportunities.

Findings:

Procedure 11 performed without exception.

We were not engaged to, and did not, conduct an audit or examination, the objective of which would be the expression of an opinion, on the accounting records and the content of the Deferred Compensation Plan for Employees of Town of Wilton Water and Sewer Authority. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Town of Wilton Water and Sewer Authority and trustees and participants of the Deferred Compensation Plan for Employees of Town of Wilton Water and Sewer Authority and is not intended to be and should not be used by anyone other than the specified parties.

Very truly yours,



CUSACK & COMPANY, CPA'S LLC