

*TOWN OF WILTON, NEW YORK
FINANCIAL REPORT*

DECEMBER 31, 2019

TOWN OF WILTON, NEW YORK

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Town of Wilton, New York
Management's Discussion and Analysis (Unaudited)
December 31, 2019

The following Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the Town of Wilton's (Town's) financial activities for the fiscal year ended December 31, 2019. This MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. The MD&A is designed to assist the reader in focusing on significant financial matters and provide an overview of the Town's financial activities. The following presentation is by necessity highly summarized and in order to gain a thorough understanding of the Town's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety.

FINANCIAL HIGHLIGHTS

- The Town reported a net position of \$18.1 million, comprising \$25.2 million in total assets and \$5.3 million in deferred outflows of resources, offset by \$12.1 million in total liabilities and approximately \$300 thousand in deferred inflows of resources.
- The Town's net position decreased by \$401 thousand as a result of this year's operations.
- Total revenues generated by governmental activities in 2019 were \$9.6 million. Non-property tax items revenue generated \$6.5 million (68 percent) of this total.
- The Town's contribution to the NYS Retirement system was \$361 thousand in 2019, a decrease of \$12 thousand over the Town's contribution in 2018.
- The Town invested \$763.6 thousand in road improvements in 2019.
- New equipment and buildings purchased by the Town during 2019 totaled \$845.6 thousand. The most notable capital asset additions are highway equipment, \$345 thousand; the Gavin Park pavilion, \$314 thousand; and a highway building, \$124 thousand.
- Renovation to the Town's Justice Court building began in 2019 and the project is scheduled be complete in 2020.
- The Town's General Fund reported a deficit in 2019 of \$308 thousand, which decreased the accumulated fund balance to \$7.3 million. Unassigned fund balance accounts for \$6.6 million of the total General Fund balance.

USING THIS FINANCIAL REPORT

This annual report consists of a series of financial statements and supplementary information. The Statement of Net Position and the Statement of Activities and Changes in Net Position (pages 10 and 11, respectively), provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 12. These statements display how services were financed in the short term as well as the amount of resources that remain available for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most financially significant funds.

Reporting the Town as a Whole

One of the most important questions asked about the Town's finances is "Is the Town, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town, as a whole, and about its activities in a way that helps answer this question. These statements include: all assets, deferred outflows of resources, liabilities and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in it. One can think of the Town's net position – the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources – as one way to measure the Town's financial stability. Over time, increases or decreases in the Town's net position indicate whether its financial health is improving or deteriorating. Non-financial factors to consider in the assessment of the overall position of the Town include: changes in the Town's sales tax base, changes in population, the implementation of a town tax (the Town currently does not have a town tax), and changes in the condition of the Town's capital assets, such as buildings, parks, and highway machinery.

Fund Financial Statements

By definition, a fund is an accounting entity with a self-balancing set of accounts created for the purpose of carrying on specific activities or achieving specific goals. The Town reports its basic services and operations using governmental funds, which focus on how monies flow into and out of those funds and the balances left at year-end that are available for spending. Some of these funds are required to be established by State law and others are established by the Town Board to help it control money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Assets and liabilities that do not impact current financial resources, such as capital assets and long-

term liabilities, are not recognized in the governmental funds statements. The governmental funds statements provide a detailed short-term view of the Town's general government operations and the basic services the Town provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationships (or differences) between governmental activities as reported in the Statement of Net Position and the Statement of Activities, and the governmental funds are presented in the reconciliations that appear on the face of the governmental fund financial statements. The Town uses the following governmental fund types:

General Fund - The general fund is the primary operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes. The Town maintains a Townwide Highway Fund, Emergency Squad District Fund and Special Grant Fund.

Capital Projects Fund - The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital expenditures.

The Town as Trustee

The Town is the trustee, or fiduciary for other assets that because of a trust arrangement can be used only for the trust beneficiaries. All the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on page 16. These activities are excluded from the Town's government-wide financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these trust funds are used for their intended purposes.

THE TOWN AS A WHOLE

Governmental entities are required by GAAP to report on their net position. The Statement of Net Position presents the value of all of the Town's assets and deferred outflows of resources, and all of its liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of changes in a government's financial health. For the fiscal year ended December 31, 2019, the Town reported a net position of \$18.1 million, comprising nearly \$15.2 million in net investment in capital assets, \$1.1 million in restricted net position, and \$1.8 million in unrestricted net position.

The following table (Table 1) summarizes the Town's net position for the years ended December 31, 2019 and December 31, 2018:

Table 1
Net Position as of December 31, 2019 and December 31, 2018

	2019	2018
Assets:		
Current assets:		
Cash	\$ 7,264,211	\$ 7,111,888
Receivables	1,393,916	1,188,342
Other	226,486	323,665
Total current assets	8,884,613	8,623,895
Noncurrent assets:		
Restricted cash and investments	1,123,106	986,334
Capital assets, net of accumulated depreciation.....	15,148,969	14,718,902
Total noncurrent assets	16,272,075	15,705,236
Total assets	25,156,688	24,329,131
Deferred outflows of resources	5,310,192	6,074,223
Total assets and deferred outflows of resources	\$ 30,466,880	\$ 30,403,354
 Liabilities:		
Current liabilities	\$ 496,276	\$ 593,998
Long-term liabilities	11,602,449	10,349,455
Total liabilities	12,098,725	10,943,453
Deferred inflows of resources	275,007	965,748
 Net Position:		
Net investment in capital assets	15,148,969	14,718,902
Restricted	1,129,142	992,371
Unassigned.....	1,815,037	2,782,880
Total net position	18,093,148	18,494,153
Total liabilities, deferred inflows of resources and net position	\$ 30,466,880	\$ 30,403,354

Net position decreased \$401 thousand from last year, primarily resulting from expenses incurred for the renovation of the Town Court, which is not complete and therefore not yet capitalized.

The following table (Table 2) summarizes the changes in the Town's net position for the years ended December 31, 2019 and December 31, 2018:

Table 2
Changes in Net Position for the Fiscal Years Ended December 31, 2019 and December 31, 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,310,514	\$ 1,167,027
Operating grants and contributions	163,486	145,102
Capital grants and contributions	219,150	319,052
General revenues:		
Real property taxes and tax items	627,815	614,812
Non-property tax items	6,537,040	6,333,032
State aid – other than capital grants	662,678	588,344
Use of money and property	82,554	75,624
Total revenues	<u>9,603,237</u>	<u>9,242,993</u>
Expenses:		
General government	3,049,330	2,640,445
Public Safety	104,917	84,462
Health	616,781	619,499
Transportation	3,738,764	3,876,059
Economic assistance	49,190	42,725
Culture and recreation	1,597,148	1,904,303
Home and community services	848,112	777,953
Total expenses.....	<u>10,004,242</u>	<u>9,945,446</u>
Changes in net position.....	(401,005)	(702,453)
Net position, beginning of year.....	<u>18,494,153</u>	<u>19,196,606</u>
Net position, end of year.....	\$ <u>18,093,148</u>	\$ <u>18,494,153</u>

Non-property tax items amounted to \$6.5 million, which represents 68 percent of total revenues for the Town. Sales tax receipts increased by \$137.6 thousand from 2018 and is the principle reason for the \$204 thousand increase in Non-property tax items. A one-time grant received in 2018 caused a \$100 thousand decrease in Capital Grants and Contributions revenue in 2019. The \$408.9 thousand increase in General government expenses is primarily attributable to the renovation of the Town's Justice Court building.

THE TOWN'S FUNDS

The Town uses fund accounting to ensure and demonstrate compliance with legal and finance-related requirements. At the end of the fiscal year, the Town's governmental funds (as presented in the balance sheet on page 13), reported a combined fund balance of \$9.5

million. Included in this year's total change in fund balance is a deficit of \$308.2 thousand in the Town's General Fund, resulting from revenues that exceed expenditures by \$611.4 thousand, offset by net transfers to other funds of \$919.6 thousand. The Town's revenues increased by \$342.7 thousand from last year, resulting primarily from increases in Non-property tax items and Departmental income of \$204 thousand and \$114.2 thousand, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

At the end of 2019, the Town had \$15.1 million invested in a broad range of capital assets, including land, buildings and improvements, equipment, and park facilities. The Town has adopted a policy of recording all machinery and equipment with a cost greater than \$5 thousand; infrastructure with a cost greater than \$25 thousand; and buildings with a cost greater than \$50 thousand.

This year's major additions to capital assets included machinery and equipment, (\$407 thousand); buildings, (\$438.6 thousand); and infrastructure – road improvements, (\$763.6 thousand).

Debt:

The Town is debt free and has been for 7 years.

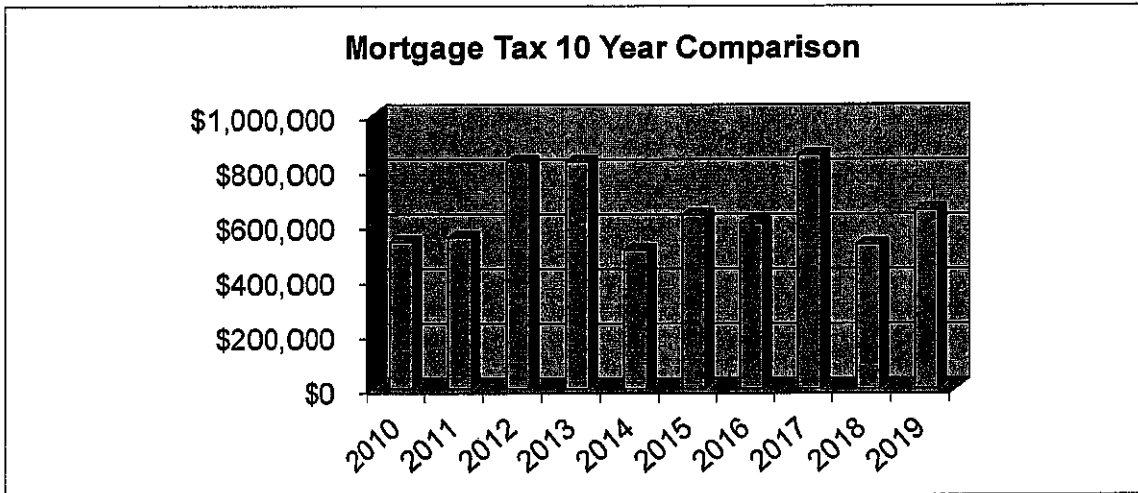
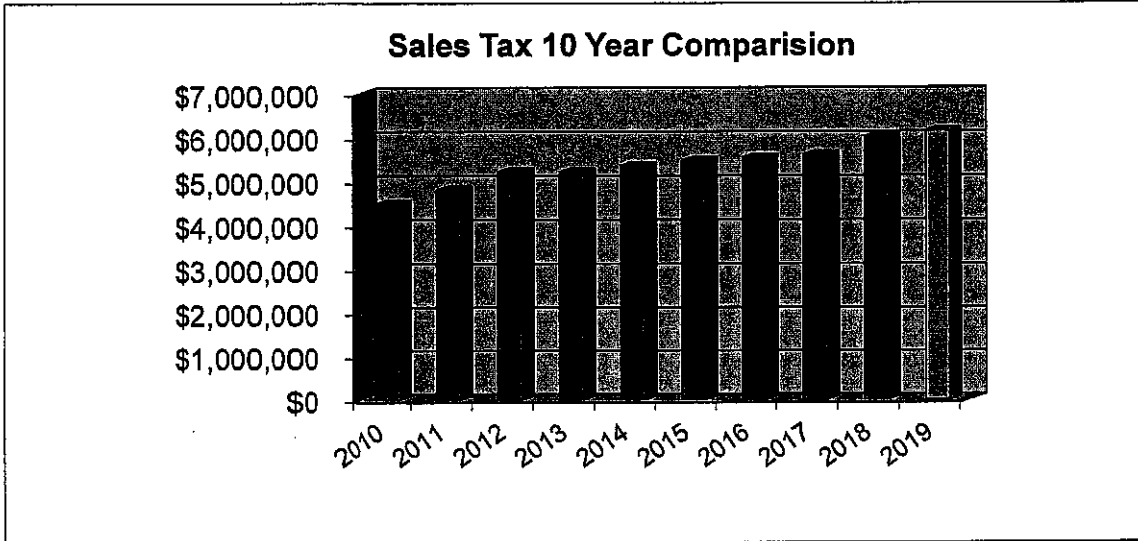
ECONOMIC FACTORS AFFECTING THE TOWN AND BUDGET

The Town's elected and appointed officials considered many factors when setting the 2020 budget. The Town's continued economic growth coupled with management's fiscally-conservative approach to spending has enabled the Town of Wilton to continue to provide services without imposing a town tax or using the Town's General Fund surplus, while operating within a balanced budget. The Town relies on sales and mortgage tax revenues to fund its budget; the leaders of this community have had the foresight to create an area within the Town for retail business to generate sales tax revenues. The Town's retail district is one of the most frequented areas to shop within Saratoga County. The sales tax growth reported by the Town for 2019 has increased by \$137.6 thousand from 2018. The Town's population has grown from 12,511 in 2000 to 16,173 according to the 2010 U.S. Census. The 2010 census has stated that the Town's population is the 5th fastest growing town in New York State.

The Town's 2020 budget was adopted by the Town Board in November 2019, four months prior to the pause on New York State business operations as a response to the COVID-19 pandemic. The COVID-19 pandemic is anticipated to have a significant impact on the Town's 2020 budget with respect to sales tax revenue; however, actual data is not yet

available. The Town will continue to monitor and respond to changes in sales tax revenue impacted by COVID-19.

The charts below depict the Town's main revenue sources over a ten-year period.



CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the Town Comptroller by mail at the Town of Wilton, 22 Traver Road, Wilton, New York 12831; by email at mmoran@townofwilton.com; or visit our website at www.townofwilton.com.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Town Board
Town of Wilton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wilton, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund, and the aggregate remaining fund information of the Town of Wilton, New York as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the Town adopted the Governmental Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, as of and for the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (pages 1-7), budgetary comparison information (pages 17-18), schedule of changes in the Town's total other postemployment benefit liability and related ratios (page 38), schedule of proportionate share of net pension liability (page 39), and schedule of Town's employee pension contributions (40) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 19, 2020 on our consideration of the Town'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 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 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's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 19, 2020

TOWN OF WILTON, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2019

Assets

Current assets:

Cash	\$ 7,264,211
Other receivables	145,490
State and federal receivables	7,279
Due from other governments	1,241,147
Prepaid expenses	195,652
Inventory	<u>30,834</u>
Total current assets	<u>8,884,613</u>

Noncurrent assets:

Restricted cash	1,123,106
Capital assets, net of accumulated depreciation	<u>15,148,969</u>
Total noncurrent assets	<u>16,272,075</u>

Deferred Outflows of Resources

Pension	599,550
Postemployment benefits	4,656,371
Service awards	<u>54,271</u>
Total deferred outflows of resources	<u>5,310,192</u>

Total assets and deferred outflows of resources \$ 30,466,880

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	\$ 397,127
Due to other governments	95,571
Unearned revenue	<u>3,578</u>
Total current liabilities	<u>496,276</u>

Long-term liabilities:

Compensated absences payable	129,245
Net pension liabilities	643,454
Postemployment benefits payable	10,391,397
Service awards liability	<u>438,353</u>
Total long-term liabilities	<u>11,602,449</u>

Deferred Inflows of Resources

Pension	221,260
Service awards	<u>53,747</u>
Total deferred inflows or resources	<u>275,007</u>

Net Position

Invested in capital assets, net of related debt	15,148,969
Restricted	1,129,142
Unrestricted	<u>1,815,037</u>
Total net position	<u>18,093,148</u>

Total liabilities, deferred inflows of resources
and net position \$ 30,466,880

TOWN OF WILTON, NEW YORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Governmental Activities</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
	<u>Net Expense</u>			
General government	\$ 3,049,330	\$ 278,754	\$ -	\$ -
Public safety	104,917	-	-	-
Health	616,781	4,117	-	-
Transportation	3,738,764	144,443	-	219,150
Economic assistance	49,190	-	-	-
Culture and recreation	1,597,148	559,493	-	-
Home and community services	848,112	323,707	163,486	-
Total governmental activities	<u>\$ 10,004,242</u>	<u>\$ 1,310,514</u>	<u>\$ 163,486</u>	<u>\$ 219,150</u>
				<u>\$ 8,311,092</u>
General revenues:				
Real property taxes and tax items				627,815
Franchise taxes				313,694
Sales taxes				6,223,346
Mortgage taxes				653,332
State aid				9,346
Use of money and property				<u>82,554</u>
Total general revenues				<u>7,910,087</u>
Change in net position				(401,005)
Net position, beginning of year				<u>18,494,153</u>
Net position, end of year				<u>\$ 18,093,148</u>

TOWN OF WILTON, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General</u>	<u>Highway</u>	<u>Emergency Squad</u>	<u>Total Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets						
Cash	\$ 5,880,123	\$ 663,124	\$ 87,669	\$ 610,627	\$ 16,632	\$ 7,258,175
Other receivables	134,375	11,115	-	-	-	145,490
State and federal receivables	7,279	-	-	-	-	7,279
Due from other governments	1,241,147	-	-	-	-	1,241,147
Prepaid expenses	142,517	53,135	-	-	-	195,652
Restricted cash	213,428	915,714	-	-	-	1,129,142
Inventory	-	30,834	-	-	-	30,834
	<u>\$ 7,618,869</u>	<u>\$ 1,673,922</u>	<u>\$ 87,669</u>	<u>\$ 610,627</u>	<u>\$ 16,632</u>	<u>\$ 10,007,719</u>
Total assets						

TOWN OF WILTON, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019

Liabilities & Fund Balances	<u>General</u>	<u>Highway</u>	<u>Emergency Squad</u>	<u>Total Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 251,401	\$ 108,801	\$ -	\$ 36,925	\$ -	\$ 397,127
Due to other governments	93,797	1,774	-	-	-	95,571
Unearned revenue	-	-	-	-	3,578	3,578
Total liabilities	<u>345,198</u>	<u>110,575</u>	<u>-</u>	<u>36,925</u>	<u>3,578</u>	<u>496,276</u>
Fund Balances						
Nonspendable	142,517	83,969	-	-	-	226,486
Restricted	213,428	915,714	-	-	-	1,129,142
Assigned	286,482	563,664	87,669	573,702	13,054	1,524,571
Unassigned	6,631,244	-	-	-	-	6,631,244
Total fund balances	<u>7,273,671</u>	<u>1,563,347</u>	<u>87,669</u>	<u>573,702</u>	<u>13,054</u>	<u>9,511,443</u>
Total liabilities and fund balances	<u>\$ 7,618,869</u>	<u>\$ 1,673,922</u>	<u>\$ 87,669</u>	<u>\$ 610,627</u>	<u>\$ 16,632</u>	<u>\$ 10,007,719</u>
Reconciliation of total governmental fund balances to net position						
Total governmental fund balances						\$ 9,511,443
Capital assets, net						15,148,969
Deferred outflows of resources						5,310,192
Accrual of compensated absences						(129,245)
Net pension liability						(643,454)
Postemployment benefits payable						(10,391,397)
Service awards liability						(438,353)
Deferred inflows of resources						(275,007)
Net position						<u>\$ 18,093,148</u>

TOWN OF WILTON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Highway</u>	<u>Emergency Squad</u>	<u>Total Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues						
Real property taxes	\$ -	\$ -	\$ 616,780	-	\$ 1,040	\$ 617,820
Real property tax items	9,995	-	-	-	-	9,995
Non-property tax items	3,263,264	3,273,776	-	-	-	6,537,040
Departmental income	745,362	110,289	-	-	-	855,651
Intergovernmental charges	7,692	-	-	-	-	7,692
Use of money and property	80,421	1,800	131	146	56	82,554
Licenses and permits	149,170	-	-	-	-	149,170
Fines and forfeitures	199,420	-	-	-	-	199,420
Sale of property and compensation for loss	19,845	34,154	-	-	-	53,999
Miscellaneous local sources	44,582	-	-	-	-	44,582
State aid	662,678	219,150	-	-	-	881,828
Federal aid	-	-	-	-	163,486	163,486
Total revenues	<u>\$ 5,182,429</u>	<u>\$ 3,639,169</u>	<u>\$ 616,911</u>	<u>\$ 146</u>	<u>\$ 164,582</u>	<u>\$ 9,603,237</u>

TOWN OF WILTON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

Expenditures and Other Financing Sources and Uses

	<u>General</u>	<u>Highway</u>	<u>Emergency Squad</u>	<u>Total Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Expenditures:						
General governmental support	\$ 1,658,772	\$ -	\$ -	\$ 472,192	\$ -	\$ 2,130,964
Public safety	84,822	-	-	-	-	84,822
Health	5,193	-	602,755	-	-	607,948
Transportation	224,460	2,921,122	-	-	-	3,145,582
Economic assistance and opportunity	38,831	-	-	-	-	38,831
Culture and recreation	1,279,554	-	-	3,598	-	1,283,152
Home and community services	453,689	-	-	-	163,524	617,213
Employee benefits	825,740	480,622	-	-	-	1,306,362
Total expenditures	<u>4,571,061</u>	<u>3,401,744</u>	<u>602,755</u>	<u>475,790</u>	<u>163,524</u>	<u>9,214,874</u>
Other financing sources (uses):						
Transfers in	-	-	-	919,600	-	919,600
Transfers out	<u>(919,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(919,600)</u>
Total other financing sources (uses)	<u>(919,600)</u>	<u>-</u>	<u>-</u>	<u>919,600</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(308,232)	237,425	14,156	443,956	1,058	388,363
Fund balances, beginning	<u>7,581,903</u>	<u>1,325,922</u>	<u>73,513</u>	<u>129,746</u>	<u>11,996</u>	<u>9,123,080</u>
Fund balances, ending	<u>\$ 7,273,671</u>	<u>\$ 1,563,347</u>	<u>\$ 87,669</u>	<u>\$ 573,702</u>	<u>\$ 13,054</u>	<u>\$ 9,511,443</u>

Reconciliation of governmental funds revenues and other financing sources over (under) expenditures and other financing uses to change in net position Revenues and other financing sources over expenditures and other financing uses

Capitalization of current year asset acquisitions	\$ 388,363
Depreciation expense	1,609,196
Compensated absences accrual changes	(1,141,090)
Loss on sale of assets	(22,396)
Postemployment benefits	(38,039)
Pension adjustment	(1,130,870)
Unearned revenue	(58,285)
Change in net position	<u>(7,884)</u>
	<u>\$ (401,005)</u>

TOWN OF WILTON, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION AND CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2019

	<u>Custodial</u>	<u>Service Awards Program</u>	<u>Private Purpose Trust Fund</u>
Cash	\$ 16,866	\$ -	\$ 11,607
Investments	<u>-</u>	<u>368,316</u>	<u>-</u>
Total assets	<u>\$ 16,866</u>	<u>\$ 368,316</u>	<u>\$ 11,607</u>
Net position	<u>\$ 16,866</u>	<u>\$ 368,316</u>	<u>\$ 11,607</u>

Statement of Changes in Fiduciary Net Position

Property tax collection for other governments	\$ 8,028,477	\$ -	\$ -
Bail receipts	33,525	-	-
Contributions	-	22,805	50
Investment returns	<u>-</u>	<u>65,247</u>	<u>14</u>
Total revenue	<u>8,062,002</u>	<u>88,052</u>	<u>64</u>
Payments of property taxes to other governments	8,028,477	-	-
Bail returned/forfeited	23,750	-	-
Benefit payments	<u>-</u>	<u>25,678</u>	<u>-</u>
	<u>8,052,227</u>	<u>25,678</u>	<u>-</u>
Increase in net position	9,775	62,374	64
Net position, beginning	<u>7,091</u>	<u>305,942</u>	<u>11,543</u>
Net position, ending	<u>\$ 16,866</u>	<u>\$ 368,316</u>	<u>\$ 11,607</u>

TOWN OF WILTON, NEW YORK
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Real property tax items	\$ 8,000	\$ 8,000	9,995	-	\$ 1,995
Non-property tax items	3,084,024	3,092,744	3,263,264	-	170,520
Departmental income	856,150	856,150	745,362	-	(110,788)
Intergovernmental charges	-	-	7,692	-	7,692
Use of money and property	68,200	68,200	80,421	-	12,221
Licenses and permits	158,900	158,900	149,170	-	(9,730)
Fines and forfeitures	200,000	200,000	199,420	-	(580)
Sale of property and compensation for loss	7,200	7,200	19,845	-	12,645
Miscellaneous local sources	9,500	35,500	44,582	-	9,082
State aid	732,600	706,600	662,678	-	(43,922)
Total revenues	<u>5,124,574</u>	<u>5,133,294</u>	<u>5,182,429</u>	<u>-</u>	<u>49,135</u>
Expenditures					
General government support	1,998,810	2,013,794	1,658,772	19,698	335,324
Public safety	124,799	148,049	84,822	-	63,227
Health	3,750	5,750	5,193	-	557
Transportation	188,444	330,171	224,460	21,025	84,686
Economic assistance and opportunity	42,680	42,680	38,831	-	3,849
Culture and recreation	1,333,162	1,539,799	1,279,554	132,878	127,367
Home and community services	538,929	537,792	453,689	14,936	69,167
Employee benefits	894,000	894,000	825,740	-	68,260
Total expenditures	<u>5,124,574</u>	<u>5,512,035</u>	<u>4,571,061</u>	<u>188,537</u>	<u>752,437</u>
Other Financing Uses					
Transfer out	-	919,600	919,600	-	-
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,298,341)</u>	<u>\$ (308,232)</u>	<u>\$ (188,537)</u>	<u>\$ 801,572</u>

TOWN OF WILTON, NEW YORK
BUDGETARY COMPARISON STATEMENT - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Non-property tax items	\$ 3,273,776	\$ 3,273,776	\$ 3,273,776	-	-
Departmental income	143,000	143,000	110,289	-	(32,711)
Use of money and property	2,000	2,000	1,800	-	(200)
Sale of property and compensation for loss	20,000	30,400	34,154	-	3,754
State aid	156,169	156,169	219,150	-	62,981
Total revenues	<u>3,594,945</u>	<u>3,605,345</u>	<u>3,639,169</u>	<u>-</u>	<u>33,824</u>
Expenditures					
Transportation	3,052,945	3,111,772	2,921,122	11,689	178,961
Employee benefits	542,000	542,000	480,622	-	61,378
Total expenditures	<u>3,594,945</u>	<u>3,653,772</u>	<u>3,401,744</u>	<u>11,689</u>	<u>240,339</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (48,427)</u>	<u>\$ 237,425</u>	<u>\$ (11,689)</u>	<u>\$ 274,163</u>

TOWN OF WILTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Wilton, New York, (the "Town") which was established in 1818 in Saratoga County, is governed by the general laws of the State of New York and various local laws. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting Council members, all elected. The Town Supervisor serves as the chief executive officer and the Comptroller as chief fiscal officer.

The Town provides the following basic services: public safety, health services, maintenance of Town roads, recreation, home and community services, economic assistance and other general services. The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting practices. The following is a summary of significant policies:

- (a) *Financial Reporting Entity:* The financial reporting entity consists of (a) the primary government which is the Town of Wilton, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 61, *The Financial Reporting Entity*.

The decision to include a potential component unit in the Town reporting entity is based on several criteria set forth in GASB No. 61 including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Town's reporting entity.

Excluded from the financial reporting entity:

The Wilton Water and Sewer Authority ("the Authority") was created in 1991 by the New York State Legislature. The Governing Board of the Authority is appointed by the Town. The Town provides no subsidy to the Authority, nor is it responsible for the debt or operating deficits of the Authority. The Authority's debt is essentially supported by operating revenues of the Authority and is not guaranteed by the Town. The Town does not approve the Authority's budget, contracts or hiring of staff. The Town also has no oversight responsibility for funds of the Authority. However, the Town does provide approximately 400 square feet of office space at an annual charge of \$8,000 to the Authority.

The Wilton Emergency Squad ("the Squad") is a not-for-profit corporation established to provide emergency medical care. The Governing Board of the Squad is elected by its members. This Board designates management and exercises complete responsibility for all fiscal matters. The Town exercises no oversight on the Squad's operations.

The Wilton Global Job Development Corporation ("the Corporation") was established as a not-for-profit corporation to promote economic development in the Town of Wilton. Corporation members have complete responsibility for the management of the Corporation and accountability for fiscal matters. The Town is not liable for any debt incurred by the Corporation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (a) *Financial Reporting Entity (Continued)*: The Wilton Wildlife Preserve and Park (“WWPP”) was established as a not-for-profit corporation to enter into a “partnership” with the Nature Conservancy and New York State to develop a 3,000 acre park and preserve for the Karner Blue Butterfly and public use. WWPP members have complete responsibility for the management of the WWPP and accountability for fiscal matters. The Town is not liable for any debt incurred by the WWPP.
- (b) *Financial Statements*: The Town’s financial statements are presented on a government-wide, governmental fund and fiduciary fund basis in accordance with GASB Statement No. 34 *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments* (GASBS No. 34). As a result these financial statements include a management discussion and analysis of the Town’s overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the Town’s activities including infrastructure (roads, bridges, etc.) and a change in the focus of fund financial statements to major funds.

Government-wide Financial Statements

The government-wide financial statements present aggregated information for the overall government, excluding activities reported in fiduciary funds, on a full accrual, economic resource basis. This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town’s net position resulting from the current year’s activities. Internal fund transactions, including, but not limited to, operating transfers, internal fund receivables and payables have been eliminated. Government-wide financial statements include a statement of net position and a statement of activities and changes in net position.

The statement of net position recognizes all current and non-current assets including capital assets as well as long-term debt and obligations. The Town’s net position is reported in three parts - invested in capital assets, net of related debt and accumulated depreciation; restricted net position due to legal limitations imposed on their use by legislation or external restrictions by other governments; and unrestricted net position.

The statement of activities and changes in net position presents a comparison between direct expenses (including depreciation) and related program revenues for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services are allocated among the Town’s programs and functions using appropriate allocation methods such as payroll costs and square footage. Program revenues include charges paid by the recipient for the goods or services offered by the programs, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The Town’s primary program revenues are fines and forfeitures, building and planning permits and fees and recreational program charges. Revenues which are not classified as program revenues are presented as general revenues and consist primarily of property, sales and franchise taxes, investment earnings and mortgage tax receipts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Statements (Continued):

Basic Financial Statements - Fund Financial Statements

The fund financial statements provide information about the Town's funds. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The focus of governmental fund financial statements is on major funds rather than reporting funds by fund type with each major fund presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The following funds are used by the Town:

GOVERNMENTAL FUND TYPES

General Fund - The general fund is the primary operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. The Town maintains the following special revenue funds:

- Townwide Highway Fund - established pursuant to Highway Law Section 141 to account for revenues and expenditures related to highway repairs and improvements, bridges, machinery, snow removal and miscellaneous highway related items.
- Emergency Squad Fund - established to account for the financial resources to be used to contract for emergency squad services for the Town.
- Special Grant Fund - to account for the use of federal monies provided by the United States Department of Housing and Urban Development to fund the Town's Section 8 Housing Assistance Program.

Capital Projects Fund - The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital expenditures.

FIDUCIARY FUND TYPES

The Town has two fiduciary funds, a private purpose trust for cemetery maintenance and a service awards program for the volunteer ambulance squad, both of which are accounted for in essentially the same manner as governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of Accounting:

Government-wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property, sales, franchise, and mortgage taxes, fines, grants and donations. On an accrual basis, revenue from nonexchange transactions is recognized in the fiscal year for which the taxes are levied or the underlying transaction takes place. Revenues from grants and donations are recognized in the fiscal year in which the eligibility requirements have been satisfied. This approach differs from the manner in which governmental fund financial statements are prepared. The governmental fund financial statements are reconciled to the government-wide financial statements directly on the governmental fund financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, *i.e.*, both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except that principal and interest on indebtedness are not recognized as expenditures until paid. Capital assets are recorded as expenditures and depreciation is not recorded.

(d) Budgetary Data:

General Budget Process - Prior to October 1 of each year, the Budget Officer submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. The Town Board must approve all modifications to the budget, however, department heads are authorized to transfer certain budgeted amounts within their departmental line items upon written request to the accounting office.

Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

(e) Encumbrances: Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

(f) Inventory: Inventory, consisting primarily of highway supplies, is valued at the lower of cost, (first-in, first-out method) or market.

TOWN OF WILTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (g) Capital Assets and Depreciation: Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair market value at the time received. Infrastructure such as roads and streets, including related drainage systems, sewage collection systems and Town owned bridges and culverts are capitalized.

Capital assets with a minimum depreciable base of \$5,000 for equipment, \$25,000 for infrastructure and \$50,000 for buildings are depreciated in the government-wide financial statements using the straight-line method with capital assets below this threshold being expensed in the year acquired. Estimated useful lives of the various classes of depreciable assets are as follows: buildings - 15 to 30 years, building improvements - 30 years, leasehold land improvements - 15 to 20 years, infrastructure - 12 years, machinery and equipment - 10 to 20 years, vehicles and trucks - 5 to 10 years and equipment and furniture - 5 to 15 years.

Infrastructure is not required and has not been reported retroactively. Prospective infrastructure reporting for newly acquired or constructed infrastructure assets began on January 1, 2004, the date the Town adopted the provisions of GASB No. 34.

- (h) Deferred Outflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.
- (i) Revenue Recognition - Property Taxes: Taxes for Town purposes are based on Town budget requirements. Taxes are collected by the Town until April 1, at which time all unpaid taxes are returned to the County. The County will then reimburse the Town for the Town's share of uncollected taxes. The following calendar pertains to the Town's real property taxes:

Valuation date	January 1
Taxable status date	March 1
Exemption filing deadline	March 1
Final role filed	July 1
Date taxes due	January 1
Date penalty period begins	February 1

- (j) Compensated Absences: Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation leave at various rates subject to certain maximum limitations. Employees are not entitled to sick time upon termination, therefore no liability for accrued sick leave has been recorded.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (k) Postemployment Benefits (OPEB): In 2018 the Town adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses. This statement also identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements are also addressed. See Note 8 for the financial statement impact of implementation on the financial statements.

OPEB costs on a pay-as-you-go basis were approximately \$130,000 in 2019 for 20 retirees.

- (l) Deferred Inflows of Resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time.
- (m) Fund Balance Reserves: The Town's fund balance reserves represent those portions of the fund balance not available for appropriation, or legally designated for a specific future use.
- (n) 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.
- (o) Adoption of New Accounting Standard

The Town implemented GASB Statement No. 84, *Fiduciary Activities*, (GASBS No. 84), which provides guidance for identifying and reporting fiduciary activities. Generally, the focus is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

GASBS No. 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASBS No. 84 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The requirements of GASBS No. 84 were originally effective for reporting periods beginning after December 15, 2018. The GASB released Statement No. 95, *Postponement of the Effective Dates of Certain Authorative Guidance*, (GASB No. 95), which extends the effective date for GASBS No. 84 to periods beginning after December 15, 2019. The Town has chosen to early implement GASBS No. 84 for the year ended December 31, 2019.

TOWN OF WILTON, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) *Subsequent Events:* Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through May 19, 2020, the date the financial statements were available to be issued.

2. CASH AND INVESTMENTS

The Town's written investment policy was adopted by the Town Board and is governed by State statutes. Town monies must be deposited in FDIC insured commercial banks or trust companies designated by the Town Board. New York State statutes and guidelines authorize the Town to invest in obligations of the U.S. Government and its agencies, certificates of deposit, repurchase agreements and obligations of the State of New York.

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations issued, fully insured, or guaranteed by New York State, and obligations issued by any municipality or school district of New York State. Restrictions may apply to some of the above categories.

3. RESTRICTED CASH

Restricted cash consists of the following:

General fund:		
Parks	\$	207,392
Sidewalks		6,036
Highway fund:		
Traffic migration revenue		913,434
Equipment revenue		<u>2,280</u>
	\$	<u><u>1,129,142</u></u>

4. RESTRICTED INVESTMENTS

As of December 31, 2019, the Town had investments of \$368,316 in the Volunteer Emergency Squad Service Award Program stated at fair value. The investments were part of a consolidated trust fund of \$36,758,531 at December 31, 2019 and were allocated as follows:

Money Market Funds		\$ 6.44%
Corporate and Foreign Bonds		2.20%
Common Equity Securities		41.51%
Equity Mutual Funds		24.46%
Fixed Income Mutual Funds		<u>25.39%</u>
	\$	<u><u>100.0%</u></u>

Although assets have been accumulated in a trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*, (GASBS No. 73).

TOWN OF WILTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

5. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2019</u>
Land	\$ 988,483	\$ -	\$ -	\$ 988,483
Improvements	1,688,819	-	-	1,688,819
Buildings	5,882,100	438,595	-	6,320,695
Infrastructure	10,604,819	763,573	-	11,368,392
Equipment	<u>6,423,155</u>	<u>407,028</u>	<u>182,971</u>	<u>6,647,212</u>
	<u>25,587,376</u>	<u>1,609,196</u>	<u>182,971</u>	<u>27,013,601</u>
Less Accumulated Depreciation:				
Buildings	1,933,081	142,552	-	2,075,633
Improvements	285,437	25,161	-	310,598
Infrastructure	4,409,284	647,698	-	5,056,982
Equipment	<u>4,240,672</u>	<u>325,679</u>	<u>144,932</u>	<u>4,421,419</u>
	<u>10,868,474</u>	<u>1,141,090</u>	<u>144,932</u>	<u>11,864,632</u>
Net capital assets	<u>\$ 14,718,902</u>	<u>\$ 468,106</u>	<u>\$ 38,039</u>	<u>\$ 15,148,969</u>

Depreciation was charged to the following functions:

General government	\$ 122,011
Transportation	881,173
Culture and recreation	<u>137,906</u>
Total depreciation expense	<u>\$ 1,141,090</u>

6. NON-CURRENT LIABILITIES

The changes in the Town's non-current liabilities during the year were as follows:

	<u>Balance December 31, 2018</u>	<u>Changes</u>	<u>Balance December 31, 2019</u>
Compensated Absences	\$ 106,849	\$ 22,396	\$ 129,245
Net Pension Liability (Note 7)	288,615	354,839	643,454
OPEB Liability (Note 8)	9,605,972	785,425	10,391,397
Service Awards Liability (Note 9)	<u>454,868</u>	<u>(16,515)</u>	<u>438,353</u>
	<u>\$ 10,456,304</u>	<u>\$ 1,146,145</u>	<u>\$ 11,602,449</u>

7. PENSION PLAN

General Information

The Town participates in the New York State and Local Employees' Retirement System ("ERS" or "System"). The ERS is a cost sharing multiple-employer, defined benefit public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description and Benefits Provided

The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the System. System benefits are established under provisions of the New York State Retirement and Social Security Laws ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. 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, NY 12244.

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 membership, and employees who joined on or after January 1, 2010 who generally must contribute at least 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100% of the contributions required as follows:

2019	\$ 360,626
2018	\$ 372,668
2017	\$ 363,693

Chapter 260 of the laws of 2014 of the State of New York allowed local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ended March 31, 2005 through 2008. Chapter 57 of the laws of 2010 of the State of New York allowed local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ended March 31, 2011 and forward.

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts. The Town has not bonded or amortized any portion of their retirement obligations.

TOWN OF WILTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

7. PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions

At December 31, 2019, the Town reported a liability of \$643,454 for its proportionate share of the net pension liability which was measured as of March 31, 2019 and was determined by using an actuarial valuation as of April 1, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2019, the Town's proportion was .009% percent.

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	\$ 126,710	\$ (43,194)
Change in assumptions	161,738	-
Net difference between projected and actual earnings on pension plan investments	-	(165,146)
Change in proportion	40,633	(12,920)
Contributions subsequent to the measurement date	<u>270,469</u>	<u>-</u>
	<u>\$ 599,550</u>	<u>\$ (221,260)</u>

The employer contribution of \$270,469 made subsequent to the measurement date will be recognized by the Town as a reduction of net pension liability in the year ended December 31, 2020.

The net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31, 2020	\$ 139,263
December 31, 2021	(121,739)
December 31, 2022	(1,333)
December 31, 2023	<u>91,630</u>
	<u>\$ 107,821</u>

ERS Actuarial Assumptions

The total pension liability measured at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

Interest rate	7.0%
Salary increase	4.2%
Inflation rate	2.5%
Cost of living adjustments	1.3%

7. PENSION PLAN (CONTINUED)

ERS Actuarial Assumptions (Continued)

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period August 1, 2010 - March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 for ERS were as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.55%
International equity	6.35%
Private equity	7.50%
Real estate	5.55%
Absolute return strategies	3.75%
Opportunistic portfolio	5.68%
Real assets	5.29%
Bonds and mortgages	1.31%
Cash	(.25%)
Inflation-indexed bonds	1.25%

Discount Rate

The discount rate used to calculate the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF WILTON, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

7. PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Town's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease <u>6%</u>	Current Assumption <u>7%</u>	1% Increase <u>8%</u>
Employers' proportionate share of the net pension asset (liability)	\$ (2,813,285)	\$ (643,454)	\$ 1,179,357

Pension Plan Fiduciary Net Position

The components of the net pension liability of the Plan as of March 31, 2019 was as follows (in thousands):

Plan total pension liability	\$ (189,803,429)
Fiduciary net position	<u>182,718,124</u>
Plan net pension liability	<u>\$ (7,085,305)</u>
 Ratio of fiduciary net position to the plan total pension liability	 <u>96.27%</u>

8. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

Plan Description

GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefits. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided

The Town provides postemployment healthcare benefits for certain eligible retirees.

Employees Covered by Benefit Terms

As of January 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	14
Active employees	<u>49</u>
Total participants covered by OPEB Plan	<u>63</u>

TOWN OF WILTON, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

8. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Total OPEB Liability

The Town’s total OPEB liability of \$10,391,397 was measured as of January 1, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.44%
Healthcare Cost Trend Rates:	
Current Year Trend	9.5%
Second Year Trend	9.0%
Decrement	.5%
Ultimate Trend	5.0%
Year Ultimate Trend is Reached	2028
Salary Increases	3.75%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of January 1, 2019.

Mortality rates were based on the SOA RP-2014 Total Database Mortality with Scale MP-2017.

Changes in the Total OPEB Liability

OPEB Liability Beginning of Year	\$ 9,605,972
Changes for the Year:	
Service Cost	410,734
Interest	327,740
Difference Between Actual and Expected Experience	204,240
Benefit Payments	<u>(157,289)</u>
OPEB Liability End of Year	<u>\$ 10,391,397</u>

TOWN OF WILTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The following presents the Town's total OPEB Liability calculated using a discount rate of 3.44%, as well as what the Town's total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate		
	1% Decrease <u>2.44%</u>	Baseline <u>3.44%</u>	1% Increase <u>4.44%</u>
Total OPEB Liability	<u>\$ 11,782,251</u>	<u>\$ 10,391,397</u>	<u>\$ 9,295,277</u>

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

The following presents the Town's total OPEB Liability calculated using a healthcare cost trend rate of 9.5%, as well as what the Town's total OPEB Liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Healthcare Cost Trend Rate		
	1% Decrease <u>8.5%</u>	Baseline <u>9.5%</u>	1% Increase <u>10.5%</u>
Total OPEB Liability	<u>\$ 8,598,805</u>	<u>\$ 10,391,397</u>	<u>\$ 12,810,050</u>

OPEB Expense

For the year ended December 31, 2019, the Town recognized an OPEB expense as follows:

	<u>2019</u>
Service Cost	\$ 410,734
Interest	327,740
Amortization of Deferred Charges:	
Difference Between Expected and Actual Expenses	324,781
Changes of Assumptions or Other Inputs	<u>250,121</u>
Net OPEB Expense	<u>\$ 1,313,376</u>

TOWN OF WILTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense (Continued)

At December 31, 2019, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Total Deferred Outflows of Resources
Differences between expected and actual experience	\$ 2,630,533
Change in assumptions	<u>2,025,838</u>
	<u>\$ 4,656,371</u>

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

December 31, 2020	\$	574,902
December 31, 2021		574,902
December 31, 2022		574,902
December 31, 2023		574,902
December 31, 2024		574,902
Thereafter		<u>1,781,861</u>
	\$	<u>4,656,371</u>

9. VOLUNTEER EMERGENCY SQUAD SERVICE AWARD PROGRAM

Plan Description: In connection with the Town's emergency service contract with a local volunteer emergency squad, the Town, by mandatory referendum, implemented a volunteer emergency squad service award program effective January 1, 2001 pursuant to General Municipal Law. The program is a defined benefit retirement plan covering active volunteer ambulance workers who have earned 50 service credits and who are at least 18 years of age.

Benefits Provided: For each year of active volunteer service credit earned, a monthly service award of \$10 up to a maximum monthly payment of \$400 is paid to the volunteer beginning at age 65 for ten years or for the volunteer's lifetime, whichever is greater. Additionally, credit for prior service was awarded for up to a maximum of 5 years for all eligible volunteer emergency squad. Prior service benefits were amortized and funded over a five year period by the Town. In December 2007, the Town, by mandatory referendum, amended the program to provide a monthly service payment of \$20 and to allow volunteers to continue to earn service credit after retirement age effective January 1, 2008.

Participants Covered by the Benefit Terms: At the December 31, 2018 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	9
Inactive participants entitled to but not yet receiving benefit payments	10
Active participants	<u>15</u>
Total	<u>34</u>

9. VOLUNTEER EMERGENCY SQUAD SERVICE AWARD PROGRAM (CONTINUED)

Contributions: New York State General Municipal Law §219-o (1) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town Board.

Trust Assets: Although assets have been accumulated in a trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASBS No. 73.

Measurement of Total Pension Liability

The total pension liability reported by the Town for the Volunteer Emergency Squad Service Award Program at December 31, 2019 of \$438,353 was measured at December 31, 2018 using an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None Assumed

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2020 with scale MP2017.

Discount Rate: The discount rate used to measure the total pension liability was 3.64%. This was the yield to maturity of the S&P Municipal Bond Year High Grade Rate Index as of December 31, 2018. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's AA by Fitch or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/2017 measurement date	\$	454,868
Service Cost		17,444
Interest		14,625
Changes of assumptions or other inputs		(32,966)
Differences between expected and actual experience		3,344
Benefit Payments		(18,962)
Balance as of 12/31/2018 measurement date	<u>\$</u>	<u>438,353</u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate: The following presents the Town's Volunteer Emergency Squad Service Award Program Liability using a discount rate of 3.64% as well as what the Town's Volunteer Emergency Squad Service Awards Program liability would have been if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

TOWN OF WILTON, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

9. VOLUNTEER EMERGENCY SQUAD SERVICE AWARD PROGRAM (CONTINUED)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate Continued):

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ <u>511,421</u>	\$ <u>438,353</u>	\$ <u>380,106</u>

For the year ended December 31, 2019, the Town recognized pension expense of \$31,972.

Components of Pension Expense

Service cost	\$ 17,444
Interest on total pension liability	14,625
Changes of assumptions or other inputs	(3,710)
Differences between expected and actual experience	303
Pension plan administrative expenses	<u>3,310</u>
Total Pension Expense	<u>\$ 31,972</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Town reported deferred outflows and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,301	\$ (1,091)
Changes of assumptions or other inputs	26,881	(52,656)
Benefit payments and administrative expenses subsequent to the measurement date	<u>24,089</u>	<u>-</u>
Total	<u>\$ 54,271</u>	<u>\$ (53,747)</u>

Benefit payments and administrative expenses subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in future pension expense as follows:

Year ended December 31:	
2020	\$ 20,682
2021	(3,407)
2022	(3,407)
2023	(3,407)
2024	(3,407)
Thereafter	<u>(6,530)</u>
	<u>\$ 524</u>

TOWN OF WILTON, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

10. FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines five categories of fund balances as follows:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Board.
- **Assigned** fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the Town or designated by the Town for the ensuing year's budget.
- **Unassigned** fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

Fund balances are detailed as follows:

	<u>General</u>	<u>Highway</u>	<u>Emergency Squad</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable						
Inventory	\$ -	\$ 30,834	\$ -	\$ -	\$ -	\$ 30,834
Prepaid expenses	142,517	53,135	-	-	-	195,652
	<u>142,517</u>	<u>83,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,486</u>
Restricted						
Sidewalks	6,036	-	-	-	-	6,036
Parks	207,392	-	-	-	-	207,392
Traffic mitigation	-	913,434	-	-	-	913,434
Equipment	-	2,280	-	-	-	2,280
	<u>213,428</u>	<u>915,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,129,142</u>
Assigned						
Encumbrances	188,537	11,689	-	-	-	200,226
Stormwater	97,945	-	-	-	-	97,945
Highway	-	551,975	-	-	-	551,975
Emergency squad	-	-	87,669	-	-	87,669
Capital projects	-	-	-	573,702	-	573,702
Other governmental funds	-	-	-	-	13,054	13,054
	<u>286,482</u>	<u>563,664</u>	<u>87,669</u>	<u>573,702</u>	<u>13,054</u>	<u>1,524,571</u>
Unassigned	<u>6,631,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,631,244</u>
	<u>\$ 7,273,671</u>	<u>\$ 1,563,347</u>	<u>\$ 87,669</u>	<u>\$ 573,702</u>	<u>\$ 13,054</u>	<u>\$ 9,511,443</u>

11. COMMITMENTS AND CONTINGENCIES

Litigation: The Town is a defendant in lawsuits arising in the normal course of business. In the opinion of the Town, after considering all relevant facts, the ultimate losses not covered by insurance resulting from such litigation would be immaterial in relation to the financial statements taken as a whole.

Self-Insurance: The Town participates in a self-insurance plan for workers' compensation under County of Saratoga Local Law No. 1 and 2, 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan, which currently has 54 participants, is open to any eligible municipality or public entity for participation. The County of Saratoga, New York is responsible for administration of the plan and its reserves. The plan purchases commercial insurance for employer's third party suits; the limit is \$1,000,000 with retention of \$10,000. Settled claims have not resulted in a claim against this excess liability coverage since the inception of the plan. All participants make annual payments to the plan based upon historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. For the year ended December 31, 2019 the Town's workers' compensation premium was \$77,353. The Town's annual workers compensation premium is included in the County tax levy for the given fiscal year, therefore no expenditure is reflected in the Town's financial statements for workers' compensation. The County issues a publicly available financial report which may be obtained by writing to the County of Saratoga, 40 McMaster Street, Ballston Spa, New York 12020.

Section 8 Program: The Town has entered into an administration agreement with the Saratoga County Rural Preservation Corp. ("the Corporation") under which the Corporation serves as full administrator of the Section 8 Housing Assistance Program. The Corporation has guaranteed that it will comply with all program regulations and will indemnify and hold harmless the Town from any liability to HUD for failure to comply with the program regulations.

Landfill Closure: State and federal laws and regulations required the Town to close its landfill site. Although the closure has been completed, the Town must continue to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town believes the annual cost of postclosure maintenance and monitoring costs will not be significant to the Town's annual results of operations. Accordingly, these maintenance and monitoring costs are reported as expenditures in the period incurred.

Environmental Concerns: The Town is engaged in many activities (*i.e.*, highway maintenance, salt and gasoline storage), in the normal course of operations that are potentially hazardous to the environment. Policies, procedures and safeguards have been implemented by the Town to assist in the protection of the environment. As of December 31, 2019 the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

12. SUBSEQUENT EVENTS

The United States is presently in the midst of a national health emergency related to a virus commonly know as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Town and its future financial position and results of operations is not presently determinable.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF WILTON, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
 DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Other Postemployment Benefit Liability, Beginning of Year	\$ 9,605,972	\$ 8,880,773
Service Costs	410,734	396,032
Interest	327,740	303,371
Difference Between Actual and Expected Experience	204,240	149,482
Benefit Payments	<u>(157,289)</u>	<u>(123,686)</u>
Other Postemployment Benefit Liability, Ending of Year	<u>\$ 10,391,397</u>	<u>\$ 9,605,972</u>
Covered Payroll	<u>2,427,292</u>	<u>2,339,559</u>
Total Other Postemployment Benefit Liability as Percentage of Payroll	<u>428.1%</u>	<u>410.6%</u>

TOWN OF WILTON, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019

New York State Employee Retirement System Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	.01%	.01%	.01%	.01%	.01%
Town's proportionate share of the net pension liability	\$ 643,454	\$ 288,615	\$ 809,819	\$ 1,499,104	\$ 302,925
Town's covered payroll	\$ 2,427,292	\$ 2,680,611	\$ 2,516,610	\$ 2,338,990	\$ 2,228,722
Town's proportionate share of the net pension liability as a percentage of its covered - employee payroll	26.5%	10.8%	32.2%	64.1%	13.6%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.2%	94.7%	90.7%	97.9%

TOWN OF WILTON, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF TOWN'S EMPLOYEE PENSION CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2019

New York State Employee Retirement System Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 360,626	\$ 372,668	\$ 363,693	\$ 340,624	\$ 400,196
Contributions in relation to the contractually required contribution	<u>360,626</u>	<u>372,668</u>	<u>363,693</u>	<u>340,624</u>	<u>400,196</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 2,427,292	\$ 2,680,611	\$ 2,516,610	\$ 2,338,990	\$ 2,288,722
Contributions as a percentage of covered payroll	14.9%	13.9%	14.5%	14.6%	17.5%

**ADDITIONAL REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**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, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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, each major fund, and the aggregate remaining fund information of the Town of Wilton, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wilton, New York's internal control over financial reporting (internal control) to determine the 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 Town of Wilton, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wilton, New York'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Wilton, New York'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 Town of Wilton, New York's financial statements are free from 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 determination of financial statement amounts. 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 Town of Wilton, New York'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 Town of Wilton, New York's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 19, 2020