

***TOWN OF WILTON, NEW YORK***  
***FINANCIAL REPORT***  
***DECEMBER 31, 2021***

**WEBSITE**

**TOWN OF WILTON, NEW YORK**

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**DECEMBER 31, 2021**

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**Town of Wilton, New York**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2021**

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, 2021. 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 \$24.9 million, comprising \$30.9 million in total assets and \$7.6 million in deferred outflows of resources, offset by \$9.3 million in total liabilities and \$4.3 million in deferred inflows of resources.
- The Town's net position increased by \$3.5 million as a result of this year's operations.
- Total revenues generated by governmental activities in 2021 were \$11.2 million. Non-property tax items revenue generated \$7.8 million, or nearly 69.7 percent, of this total.
- The Town's General Fund reported a surplus in 2021 of \$2.6 million, which increased the accumulated fund balance to \$11.4 million. The surplus was the result of an economic recovery experienced in 2021, coupled with a phased-in approach to increased spending.
- The Town's Highway Fund reported a surplus of \$165 thousand, which increased the accumulated fund balance to \$2 million. Non-spendable and restricted amounts in the Highway Fund totaled \$1.4 million.
- The Town's contribution to the NYS Retirement system was \$399.6 thousand in 2021, an increase of \$41.4 thousand from the Town's contribution of \$358.2 thousand in 2020.
- The Town invested \$2.1 million in capital assets in 2021, up from \$579 thousand in 2020.
- Capital asset investments in 2021 included \$740.9 thousand in road improvements, up \$455.8 thousand from \$285.1 thousand in 2020; the completion of the Town Court renovation, at a cost of \$687.9 thousand; and equipment purchases that totaled \$649.7 thousand, up from \$294 thousand in 2020.

## 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 11 and 12, 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 13. 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 Town-wide 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 17. 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, 2021, the Town reported a net position of \$24.9 million, comprising \$15.5 million in net investment in capital assets, \$1.6 million in restricted net position, and \$7.8 million in unrestricted net position.

The following table (Table 1) summarizes the Town's net position for the years ended December 31, 2021 and December 31, 2020:

**Table 1**  
**Net Position as of December 31, 2021 and December 31, 2020**

|                                                                                    | <u>2021</u>                 | <u>2020</u>                 |
|------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Assets:</b>                                                                     |                             |                             |
| Current assets:                                                                    |                             |                             |
| Cash .....                                                                         | \$ 11,906,455               | \$ 8,463,115                |
| Receivables .....                                                                  | 1,611,969                   | 1,471,866                   |
| Other .....                                                                        | 231,950                     | 334,734                     |
| <b>Total current assets .....</b>                                                  | <b><u>13,750,374</u></b>    | <b><u>10,269,715</u></b>    |
| Noncurrent assets:                                                                 |                             |                             |
| Restricted cash and investments .....                                              | 1,593,420                   | 1,489,194                   |
| Capital assets, net of accumulated depreciation .....                              | 15,543,574                  | 14,578,843                  |
| <b>Total noncurrent assets .....</b>                                               | <b><u>17,136,994</u></b>    | <b><u>16,068,037</u></b>    |
| <b>Total assets .....</b>                                                          | <b><u>30,887,368</u></b>    | <b><u>26,337,752</u></b>    |
| Deferred outflows of resources .....                                               | 7,625,224                   | 7,084,287                   |
| <b>Total assets and deferred outflows of resources.....</b>                        | <b><u>\$ 38,512,592</u></b> | <b><u>\$ 33,422,039</u></b> |
| <b>Liabilities:</b>                                                                |                             |                             |
| Current liabilities .....                                                          | \$ 1,390,278                | \$ 514,613                  |
| Long-term liabilities .....                                                        | 7,902,025                   | 9,714,568                   |
| <b>Total liabilities .....</b>                                                     | <b><u>9,292,303</u></b>     | <b><u>10,229,181</u></b>    |
| <b>Deferred inflows of resources .....</b>                                         | <b><u>4,269,805</u></b>     | <b><u>1,768,515</u></b>     |
| <b>Net Position:</b>                                                               |                             |                             |
| Net investment in capital assets .....                                             | 15,543,574                  | 14,578,843                  |
| Restricted .....                                                                   | 1,593,420                   | 1,489,194                   |
| Unrestricted .....                                                                 | 7,813,490                   | 5,356,306                   |
| <b>Total net position .....</b>                                                    | <b><u>24,950,484</u></b>    | <b><u>21,424,343</u></b>    |
| <b>Total liabilities, deferred inflows of resources<br/>and net position .....</b> | <b><u>\$ 38,512,592</u></b> | <b><u>\$ 33,422,039</u></b> |

Net position increased \$3.5 million from last year, largely the result of an increase in cash balances of \$3.4 million related to the 2021 operating surplus. Other factors that contributed to the increase in net position are the reduction in long-term liabilities of \$1.8 million, (a \$2.2 million reduction in the net pension liability offset by increases in the OPEB liability of \$330 thousand and the service award liability of \$118 thousand), and an increase in capital assets, net of accumulated depreciation of \$965 thousand from the prior year. These factors were offset by an increase in deferred inflows of resources related to the net pension liability of \$2.5 million.

The following table (Table 2) summarizes the changes in the Town's net position for the years ended December 31, 2021 and December 31, 2020:

**Table 2**  
**Changes in Net Position for the Fiscal Years Ended December 31, 2021 and December 31, 2020**

|                                                   | <u>2021</u>                    | <u>2020</u>              |
|---------------------------------------------------|--------------------------------|--------------------------|
| <b>Revenues:</b>                                  |                                |                          |
| Program revenues:                                 |                                |                          |
| Charges for services.....                         | \$ 1,105,158                   | \$ 703,285               |
| Operating grants and contributions.....           | 167,051                        | 169,599                  |
| Capital grants and contributions.....             | 293,508                        | 208,168                  |
| General revenues:                                 |                                |                          |
| Real property taxes and tax items.....            | 645,813                        | 639,305                  |
| Non-property tax items.....                       | 7,768,095                      | 6,497,393                |
| State and federal aid – other than capital grants | 1,154,784                      | 840,843                  |
| Use of money and property.....                    | 17,295                         | 64,608                   |
| <b>Total revenues.....</b>                        | <b><u>11,151,704</u></b>       | <b><u>9,123,201</u></b>  |
| <b>Expenses:</b>                                  |                                |                          |
| General government.....                           | 1,697,603                      | 1,635,050                |
| Public safety.....                                | 164,120                        | 104,851                  |
| Health.....                                       | 664,790                        | 636,662                  |
| Transportation.....                               | 3,334,881                      | 2,270,998                |
| Economic assistance.....                          | 36,486                         | 22,437                   |
| Culture and recreation.....                       | 966,585                        | 614,591                  |
| Home and community services.....                  | 761,098                        | 519,024                  |
| <b>Total expenses.....</b>                        | <b><u>7,625,563</u></b>        | <b><u>5,803,613</u></b>  |
| <b>Changes in net position.....</b>               | <b>3,526,141</b>               | <b>3,319,588</b>         |
| <b>Net position, beginning of year.....</b>       | <b><u>21,424,343</u></b>       | <b><u>18,104,755</u></b> |
| <b>Net position, end of year.....</b>             | <b>\$ <u>24,950,484</u> \$</b> | <b><u>21,424,343</u></b> |

Total revenues increased by \$2 million from 2020, predominantly the result of a \$1.3 million increase in non-property tax items, specifically sales tax, spurred by economic recovery experienced in 2021. The return to pre-COVID-19 recreational programming, court facility and construction activities resulted in an increase in charges for services revenue of \$402 thousand from the prior year, comprised mostly of fees collected for culture and recreation, (\$258 thousand), general government (\$101 thousand) and home and community services (\$31 thousand). An increase in state and federal aid of \$314 thousand resulted from an increase in mortgage tax receipts, which thus contributed to the overall increase in revenues from 2020.

Expenses increased by \$1.8 million from 2020, largely the result of an increase in recreational programming and other activities as the Town began to lift COVID-19 related restrictions. Increases in transportation expense, (\$1.1 million), culture and recreation expense, (\$352 thousand), and home and community services (\$242 thousand) contributed to the overall increase in expenses from the prior year.



## **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 14), reported a combined fund balance of \$14 million. Included in this year's total change in fund balance of \$2.7 million is a surplus of \$2.6 million in the Town's General Fund, resulting from a larger than anticipated sales tax revenue and a spending program that addressed the uncertain economic impact of COVID-19 response.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets:**

At the end of 2021, the Town had \$15.5 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 infrastructure — road improvements, (\$740.9 thousand), buildings (\$687.9 thousand) and machinery and equipment, (\$649.7 thousand).

### **Debt:**

The Town is debt free and has been for 9 years.

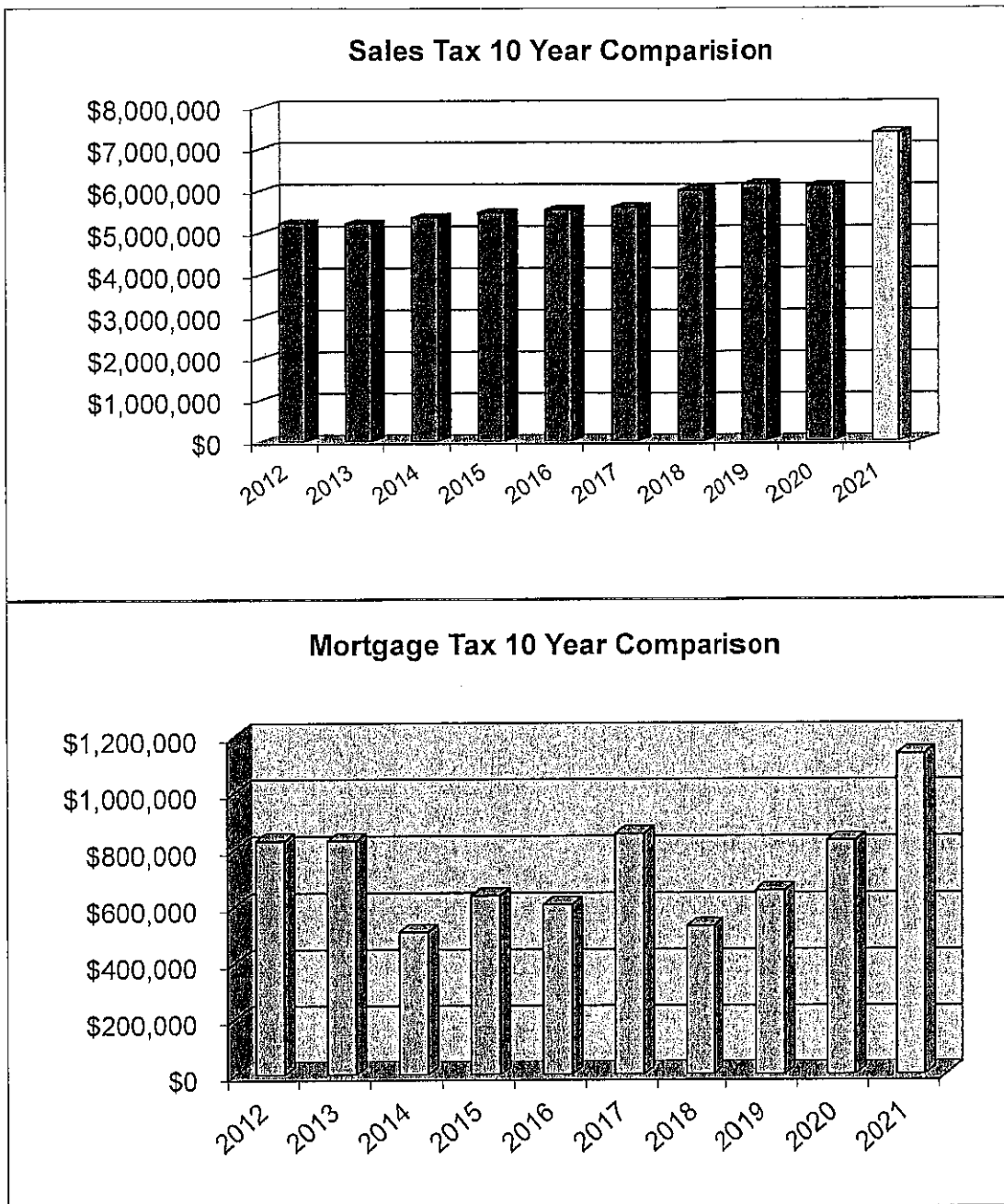
## **ECONOMIC FACTORS AFFECTING THE TOWN AND BUDGET**

The Town's elected and appointed officials considered many factors when setting the 2022 budget. The uncertain economics surrounding the COVID-19 pandemic continued to play a role in the development of the 2022 budget. The Town is expected to continue to experience economic growth in both residential and commercial activities, as the data from the 2020 census lists the population of the Town at approximately 17,000 people, which is an increase of approximately 1,000 people from the 2010 census. This fact, coupled with management's continued 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 increase in sales tax revenue experienced by the Town in 2021 was a major factor in the Town's increase in net position, and 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](mailto:mmoran@townofwilton.com); or visit our website at [www.townofwilton.com](http://www.townofwilton.com).

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

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, the fiduciary activities and the aggregate remaining fund information of the Town of Wilton, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town'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 governmental activities, each major fund, the fiduciary activities and the aggregate remaining fund information of the Town of Wilton, New York as of December 31, 2021, 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.

***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, New York 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, New York'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.

**WEBSITE**

## ***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, New York'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, New York'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 management's discussion and analysis on pages 1-7, budgetary information on pages 36-37, schedule of changes in the Town's total other postemployment benefit liability and related ratios on page 38, schedule of the Town's proportionate share of the net pension liability on page 39, schedule of the Town's employee pension contributions on page 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 Auditing 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 reports dated June 22, 2022, on our consideration of the Town of Wilton, New York'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 effectiveness of the Town of Wilton, New York'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, New York's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York  
June 22, 2022

**TOWN OF WILTON, NEW YORK****STATEMENT OF NET POSITION****DECEMBER 31, 2021****Assets****Current assets:**

|                               |                   |
|-------------------------------|-------------------|
| Cash                          | \$ 11,906,455     |
| Other receivables             | 156,361           |
| State and federal receivables | 8,433             |
| Due from other governments    | 1,447,175         |
| Prepaid expenses              | 176,843           |
| Inventory                     | <u>55,107</u>     |
| Total current assets          | <u>13,750,374</u> |

**Noncurrent assets:**

|                                                 |                   |
|-------------------------------------------------|-------------------|
| Restricted cash                                 | 1,593,420         |
| Capital assets, net of accumulated depreciation | <u>15,543,574</u> |
| Total noncurrent assets                         | <u>17,136,994</u> |

**Deferred Outflows of Resources**

|                                      |                  |
|--------------------------------------|------------------|
| Pension                              | 2,099,135        |
| Postemployment benefits              | 5,368,874        |
| Service awards                       | <u>157,215</u>   |
| Total deferred outflows of resources | <u>7,625,224</u> |

Total assets and deferred outflows of resources

\$ 38,512,592**Liabilities****Current liabilities:**

|                                          |                  |
|------------------------------------------|------------------|
| Accounts payable and accrued liabilities | \$ 382,246       |
| Due to other governments                 | 134,731          |
| Unearned revenue                         | <u>873,301</u>   |
| Total current liabilities                | <u>1,390,278</u> |

**Long-term liabilities:**

|                                 |                  |
|---------------------------------|------------------|
| Compensated absences payable    | 121,660          |
| Net pension liability           | 8,809            |
| Postemployment benefits payable | 7,187,522        |
| Service awards liability        | <u>584,034</u>   |
| Total long-term liabilities     | <u>7,902,025</u> |

**Deferred Inflows of Resources**

|                                     |                  |
|-------------------------------------|------------------|
| Pension                             | 2,586,116        |
| Postemployment Benefits             | 1,636,872        |
| Service awards                      | <u>46,817</u>    |
| Total deferred inflows or resources | <u>4,269,805</u> |

**Net Position**

|                                                 |                   |
|-------------------------------------------------|-------------------|
| Invested in capital assets, net of related debt | 15,543,574        |
| Restricted                                      | 1,593,420         |
| Unrestricted                                    | <u>7,813,490</u>  |
| Total net position                              | <u>24,950,484</u> |

Total liabilities, deferred inflows of resources  
and net position\$ 38,512,592

**TOWN OF WILTON, NEW YORK**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                   | <u>Program Revenues</u> |                                                      |                                                   |                                                 |                        |
|-----------------------------------|-------------------------|------------------------------------------------------|---------------------------------------------------|-------------------------------------------------|------------------------|
| <u>Governmental Activities</u>    | <u>Expenses</u>         | <u>Fees, Fines,<br/>and Charges<br/>for Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> | <u>Net<br/>Expense</u> |
| General government                | \$ 1,697,603            | \$ 329,779                                           | \$ -                                              | \$ -                                            | \$ 1,367,824           |
| Public safety                     | 164,120                 | -                                                    | -                                                 | -                                               | 164,120                |
| Health                            | 664,790                 | 6,161                                                | -                                                 | -                                               | 658,629                |
| Transportation                    | 3,334,881               | 140,010                                              | -                                                 | 293,508                                         | 2,901,363              |
| Economic assistance               | 36,486                  | -                                                    | -                                                 | -                                               | 36,486                 |
| Culture and recreation            | 966,585                 | 313,552                                              | -                                                 | -                                               | 653,033                |
| Home and community services       | 761,098                 | 315,656                                              | 167,051                                           | -                                               | 278,391                |
| Total governmental activities     | <u>\$ 7,625,563</u>     | <u>\$ 1,105,158</u>                                  | <u>\$ 167,051</u>                                 | <u>\$ 293,508</u>                               | <u>\$ 6,059,846</u>    |
| General revenues:                 |                         |                                                      |                                                   |                                                 |                        |
| Real property taxes and tax items |                         |                                                      |                                                   |                                                 | 645,813                |
| Franchise taxes                   |                         |                                                      |                                                   |                                                 | 303,473                |
| Sales taxes                       |                         |                                                      |                                                   |                                                 | 7,464,622              |
| Mortgage taxes                    |                         |                                                      |                                                   |                                                 | 1,135,897              |
| State aid                         |                         |                                                      |                                                   |                                                 | 12,964                 |
| Federal aid                       |                         |                                                      |                                                   |                                                 | 5,923                  |
| Use of money and property         |                         |                                                      |                                                   |                                                 | 17,295                 |
| Total general revenues            |                         |                                                      |                                                   |                                                 | <u>9,585,987</u>       |
| Change in net position            |                         |                                                      |                                                   |                                                 | 3,526,141              |
| Net position, beginning of year   |                         |                                                      |                                                   |                                                 | <u>21,424,343</u>      |
| Net position, end of year         |                         |                                                      |                                                   |                                                 | <u>\$ 24,950,484</u>   |

See accompanying notes and independent auditor's report.

**TOWN OF WILTON, NEW YORK**  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

|                               | <u>General</u>       | <u>Highway</u>      | <u>Emergency Squad</u> | <u>Capital Projects</u> | <u>Total Other Governmental Funds</u> | <u>Total</u>         |
|-------------------------------|----------------------|---------------------|------------------------|-------------------------|---------------------------------------|----------------------|
| <b>Assets</b>                 |                      |                     |                        |                         |                                       |                      |
| Cash                          | \$ 10,669,823        | \$ 731,517          | \$ 97,911              | \$ 374,584              | \$ 32,620                             | \$ 11,906,455        |
| Other receivables             | 156,358              | 3                   | -                      | -                       | -                                     | 156,361              |
| State and federal receivables | 4,252                | 4,181               | -                      | -                       | -                                     | 8,433                |
| Due from other governments    | 1,447,175            | -                   | -                      | -                       | -                                     | 1,447,175            |
| Prepaid expenses              | 124,348              | 52,495              | -                      | -                       | -                                     | 176,843              |
| Restricted cash               | 268,914              | 1,324,506           | -                      | -                       | -                                     | 1,593,420            |
| Inventory                     | -                    | 55,107              | -                      | -                       | -                                     | 55,107               |
| <b>Total assets</b>           | <u>\$ 12,670,870</u> | <u>\$ 2,167,809</u> | <u>\$ 97,911</u>       | <u>\$ 374,584</u>       | <u>\$ 32,620</u>                      | <u>\$ 15,343,794</u> |

WEBSITE



**TOWN OF WILTON, NEW YORK**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**

|                                                                    | <u>General</u>       | <u>Highway</u>      | <u>Emergency Squad</u> | <u>Capital Projects</u> | <u>Governmental Funds</u> | <u>Total</u>         |
|--------------------------------------------------------------------|----------------------|---------------------|------------------------|-------------------------|---------------------------|----------------------|
| <b>Liabilities &amp; Fund Balances</b>                             |                      |                     |                        |                         |                           |                      |
| Liabilities                                                        |                      |                     |                        |                         |                           |                      |
| Accounts payable and accrued liabilities                           | \$ 266,997           | \$ 115,249          | \$ -                   | \$ -                    | \$ -                      | \$ 382,246           |
| Due to other governments                                           | 132,725              | 2,006               | -                      | -                       | -                         | 134,731              |
| Unearned revenue                                                   | <u>867,587</u>       | <u>-</u>            | <u>-</u>               | <u>-</u>                | <u>5,714</u>              | <u>873,301</u>       |
| Total liabilities                                                  | <u>1,267,309</u>     | <u>117,255</u>      | <u>-</u>               | <u>-</u>                | <u>5,714</u>              | <u>1,390,278</u>     |
| Fund Balances                                                      |                      |                     |                        |                         |                           |                      |
| Nonspendable                                                       | 124,348              | 107,602             | -                      | -                       | -                         | 231,950              |
| Restricted                                                         | 268,914              | 1,324,506           | -                      | -                       | -                         | 1,593,420            |
| Assigned                                                           | 145,866              | 618,446             | 97,911                 | 374,584                 | 26,906                    | 1,263,713            |
| Unassigned                                                         | <u>10,864,433</u>    | <u>-</u>            | <u>-</u>               | <u>-</u>                | <u>-</u>                  | <u>10,864,433</u>    |
| Total fund balances                                                | <u>11,403,561</u>    | <u>2,050,554</u>    | <u>97,911</u>          | <u>374,584</u>          | <u>26,906</u>             | <u>13,953,516</u>    |
| Total liabilities and fund balances                                | <u>\$ 12,670,870</u> | <u>\$ 2,167,809</u> | <u>\$ 97,911</u>       | <u>\$ 374,584</u>       | <u>\$ 32,620</u>          | <u>\$ 15,343,794</u> |
| Reconciliation of total governmental fund balances to net position |                      |                     |                        |                         |                           |                      |
| Total governmental fund balances                                   |                      |                     |                        |                         |                           | \$ 13,953,516        |
| Capital assets, net                                                |                      |                     |                        |                         |                           | 15,543,574           |
| Deferred outflows of resources                                     |                      |                     |                        |                         |                           | 7,625,224            |
| Accrual of compensated absences                                    |                      |                     |                        |                         |                           | (121,660)            |
| Net pension liability                                              |                      |                     |                        |                         |                           | (8,809)              |
| Postemployment benefits payable                                    |                      |                     |                        |                         |                           | (7,187,522)          |
| Service awards liability                                           |                      |                     |                        |                         |                           | (584,034)            |
| Deferred inflows of resources                                      |                      |                     |                        |                         |                           | <u>(4,269,805)</u>   |
| Net position                                                       |                      |                     |                        |                         |                           | <u>\$ 24,950,484</u> |

**TOWN OF WILTON, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                            | <u>General</u> | <u>Highway</u> | <u>Emergency Squad</u> | <u>Capital Projects</u> | <u>Governmental Funds</u> | <u>Total</u>  |
|--------------------------------------------|----------------|----------------|------------------------|-------------------------|---------------------------|---------------|
| <b>Revenues</b>                            |                |                |                        |                         |                           |               |
| Real property taxes                        | \$ -           | \$ -           | \$ 638,865             | \$ -                    | \$ 1,040                  | \$ 639,905    |
| Real property tax items                    | 5,908          | -              | -                      | -                       | -                         | 5,908         |
| Non-property tax items                     | 4,869,095      | 2,899,000      | -                      | -                       | -                         | 7,768,095     |
| Departmental income                        | 494,046        | 90,273         | -                      | -                       | -                         | 584,319       |
| Use of money and property                  | 16,588         | 578            | 29                     | 24                      | 76                        | 17,295        |
| Licenses and permits                       | 148,043        | -              | -                      | -                       | -                         | 148,043       |
| Fines and forfeitures                      | 231,272        | -              | -                      | -                       | -                         | 231,272       |
| Sale of property and compensation for loss | 28,866         | 34,549         | -                      | -                       | -                         | 63,415        |
| Miscellaneous local sources                | 62,922         | 15,187         | -                      | -                       | -                         | 78,109        |
| State aid                                  | 1,148,861      | 293,508        | -                      | -                       | -                         | 1,442,369     |
| Federal aid                                | -              | 5,923          | -                      | -                       | 167,051                   | 172,974       |
| Total revenues                             | \$ 7,005,601   | \$ 3,339,018   | \$ 638,894             | \$ 24                   | \$ 168,167                | \$ 11,151,704 |

**WEBSITE**

# TOWN OF WILTON, NEW YORK

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

### GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

|                                                                                                  | General              | Highway             | Emergency<br>Squad | Capital<br>Projects | Total<br>Other<br>Governmental<br>Funds | Total                |
|--------------------------------------------------------------------------------------------------|----------------------|---------------------|--------------------|---------------------|-----------------------------------------|----------------------|
| <b>Expenditures</b>                                                                              |                      |                     |                    |                     |                                         |                      |
| Expenditures:                                                                                    |                      |                     |                    |                     |                                         |                      |
| General government support                                                                       | \$ 1,933,043         | \$ -                | \$ -               | \$ 24,959           | \$ -                                    | \$ 1,958,002         |
| Public safety                                                                                    | 152,792              | -                   | -                  | -                   | -                                       | 152,792              |
| Health                                                                                           | 1,500                | -                   | 635,652            | -                   | -                                       | 637,152              |
| Transportation                                                                                   | 250,329              | 2,754,237           | -                  | -                   | -                                       | 3,004,566            |
| Economic assistance and opportunity                                                              | 30,091               | -                   | -                  | -                   | -                                       | 30,091               |
| Culture and recreation                                                                           | 809,071              | -                   | -                  | -                   | -                                       | 809,071              |
| Home and community services                                                                      | 451,453              | -                   | -                  | -                   | 167,051                                 | 618,504              |
| Employee benefits                                                                                | 812,746              | 419,560             | -                  | -                   | -                                       | 1,232,306            |
| Total expenditures                                                                               | <u>4,441,025</u>     | <u>3,173,797</u>    | <u>635,652</u>     | <u>24,959</u>       | <u>167,051</u>                          | <u>8,442,484</u>     |
| Revenues over (under) expenditures                                                               | 2,564,576            | 165,221             | 3,242              | (24,935)            | 1,116                                   | 2,709,220            |
| Fund balances, beginning                                                                         | <u>8,838,985</u>     | <u>1,885,333</u>    | <u>94,669</u>      | <u>399,519</u>      | <u>25,790</u>                           | <u>11,244,296</u>    |
| Fund balances, ending                                                                            | <u>\$ 11,403,561</u> | <u>\$ 2,050,554</u> | <u>\$ 97,911</u>   | <u>\$ 374,584</u>   | <u>\$ 26,906</u>                        | <u>\$ 13,953,516</u> |
| Reconciliation of governmental fund revenues over (under) expenditures to change in net position |                      |                     |                    |                     |                                         |                      |
| Revenues over expenditures                                                                       |                      |                     |                    |                     |                                         | \$ 2,709,220         |
| Capitalization of current year asset acquisitions                                                |                      |                     |                    |                     |                                         | 2,086,888            |
| Depreciation expense                                                                             |                      |                     |                    |                     |                                         | (1,091,769)          |
| Compensated absences accrual changes                                                             |                      |                     |                    |                     |                                         | 37,611               |
| Loss on sale of assets                                                                           |                      |                     |                    |                     |                                         | (30,388)             |
| Postemployment benefits                                                                          |                      |                     |                    |                     |                                         | (330,097)            |
| Pension adjustment                                                                               |                      |                     |                    |                     |                                         | 172,314              |
| LOSAP adjustment                                                                                 |                      |                     |                    |                     |                                         | (27,638)             |
| Change in net position                                                                           |                      |                     |                    |                     |                                         | <u>\$ 3,526,141</u>  |

**TOWN OF WILTON, NEW YORK**  
**STATEMENT OF FIDUCIARY NET POSITION AND CHANGES IN FIDUCIARY NET POSITION**  
**DECEMBER 31, 2021**

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|              | <u><b>Custodial</b></u> | <u><b>Service<br/>Awards Program</b></u> |
|--------------|-------------------------|------------------------------------------|
| Cash         | \$ 1,002                | \$ -                                     |
| Investments  | <u>-</u>                | <u>453,443</u>                           |
| Total assets | <u>\$ 1,002</u>         | <u>\$ 453,443</u>                        |
| Net position | <u>\$ 1,002</u>         | <u>\$ 453,443</u>                        |

Statement of Changes in Fiduciary Net Position

|                                                    |                  |                   |
|----------------------------------------------------|------------------|-------------------|
| Property tax collection for<br>other governments   | \$ 8,715,389     | \$ -              |
| Bail receipts                                      | 20,552           | -                 |
| Contributions                                      | -                | 15,174            |
| Investment returns                                 | <u>-</u>         | <u>53,877</u>     |
| Total revenue                                      | <u>8,735,941</u> | <u>69,051</u>     |
| Payments of property taxes to<br>other governments | 8,715,389        | -                 |
| Bail returned/forfeited                            | 50,250           | -                 |
| Benefit payments and expense                       | <u>-</u>         | <u>28,593</u>     |
|                                                    | <u>8,765,639</u> | <u>28,593</u>     |
| Increase (decrease) in net position                | (29,698)         | 40,458            |
| Net position, beginning                            | <u>30,700</u>    | <u>412,985</u>    |
| Net position, ending                               | <u>\$ 1,002</u>  | <u>\$ 453,443</u> |

**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 Government 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 (1) the primary government which is the Town of Wilton, (2) organizations for which the primary government is financially accountable, and (3) 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*, (GASBS No. 61).

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASBS 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 \$8,487 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 over 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 measurement basis. The government-wide statements focus 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 and grants or 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):**

**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 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.
- Cemetery Fund - established to account for the financial resources to be used for cemetery maintenance.

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 custodial account for transactions with other governments and a service awards program for the volunteer ambulance squad, both of which are accounted for using the economic resources measurement focus and the accrual basis of accounting.



**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.

**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 \$65,762 in 2021 for 19 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) Subsequent Events: Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through June 22, 2022, the date the financial statements were available to be issued. No such events or transactions were noted.

**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                     | \$ 6,036                   |
| Sidewalks                 | <u>262,878</u>             |
| Total general fund        | <u>268,914</u>             |
| Highway fund:             |                            |
| Traffic migration reserve | 1,049,502                  |
| Equipment reserve         | <u>275,004</u>             |
| Total highway fund        | <u>1,324,506</u>           |
|                           | <u><u>\$ 1,593,420</u></u> |

**4. RESTRICTED INVESTMENTS**

As of December 31, 2021, the Town had investments of \$453,443 in the Volunteer Emergency Squad Service Award Program stated at fair value. The investments were part of a consolidated trust fund of \$47.7 million at December 31, 2021.

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).

**5. CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2021 was as follows:

|                                   | <u>January 1,</u><br><u>2021</u> | <u>Additions</u>         | <u>Deletions</u>        | <u>December 31,</u><br><u>2021</u> |
|-----------------------------------|----------------------------------|--------------------------|-------------------------|------------------------------------|
| Land                              | \$ 988,483                       | \$ -                     | \$ -                    | \$ 988,483                         |
| Improvements                      | 1,688,819                        | 8,450                    | -                       | 1,697,269                          |
| Buildings                         | 6,320,695                        | 687,874                  | -                       | 7,008,569                          |
| Infrastructure                    | 11,653,467                       | 740,879                  | -                       | 12,394,346                         |
| Equipment                         | <u>6,784,434</u>                 | <u>649,685</u>           | <u>297,467</u>          | <u>7,136,652</u>                   |
|                                   | <u>27,435,898</u>                | <u>2,086,888</u>         | <u>297,467</u>          | <u>29,225,319</u>                  |
| Less Accumulated<br>Depreciation: |                                  |                          |                         |                                    |
| Buildings                         | 2,222,116                        | 159,013                  | -                       | 2,381,129                          |
| Improvements                      | 335,759                          | 25,161                   | -                       | 360,920                            |
| Infrastructure                    | 5,659,419                        | 596,111                  | -                       | 6,255,530                          |
| Equipment                         | <u>4,639,761</u>                 | <u>311,484</u>           | <u>267,079</u>          | <u>4,684,166</u>                   |
|                                   | <u>12,857,055</u>                | <u>1,091,769</u>         | <u>267,079</u>          | <u>13,681,745</u>                  |
| Net capital assets                | <u><u>\$ 14,578,843</u></u>      | <u><u>\$ 995,119</u></u> | <u><u>\$ 30,388</u></u> | <u><u>\$ 15,543,574</u></u>        |

**5. CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

Depreciation was charged to the following functions:

|                            |                     |
|----------------------------|---------------------|
| General government         | \$ 102,824          |
| Transportation             | 870,518             |
| Culture and recreation     | 118,427             |
| Total depreciation expense | <u>\$ 1,091,769</u> |

**6. NON-CURRENT LIABILITIES**

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

|                                   | <u>Balance</u><br><u>December 31, 2020</u> | <u>Changes</u>        | <u>Balance</u><br><u>December 31, 2021</u> |
|-----------------------------------|--------------------------------------------|-----------------------|--------------------------------------------|
| Compensated Absences              | \$ 159,271                                 | \$ (37,611)           | \$ 121,660                                 |
| Net Pension Liability (Note 7)    | 2,232,049                                  | (2,223,240)           | 8,809                                      |
| OPEB Liability (Note 8)           | 6,857,425                                  | 330,097               | 7,187,522                                  |
| Service Awards Liability (Note 9) | 465,823                                    | 118,211               | 584,034                                    |
|                                   | <u>\$ 9,714,568</u>                        | <u>\$ (1,812,543)</u> | <u>\$ 7,902,025</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.

**7. PENSION PLAN (CONTINUED)**

***Plan Description and Benefits Provided (Continued)***

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

|      |            |
|------|------------|
| 2021 | \$ 399,563 |
| 2020 | \$ 358,210 |
| 2019 | \$ 360,626 |

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.

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

At December 31, 2021, the Town reported a liability of \$8,809 for its proportionate share of the net pension liability which was measured as of March 31, 2021 and was determined by using an actuarial valuation as of April 1, 2020. 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, 2021, the Town's proportion was .00885% percent.

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | <b>Total Deferred<br/>Outflows<br/>of Resources</b> | <b>Total Deferred<br/>Inflows<br/>of Resources</b> |
|----------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| Differences between expected and actual experience                               | \$ 107,577                                          | \$ -                                               |
| Change in assumptions                                                            | 1,619,620                                           | (30,547)                                           |
| Net difference between projected and actual earnings on pension plan investments | -                                                   | (2,530,352)                                        |
| Change in proportion                                                             | 72,266                                              | (25,217)                                           |
| Contributions subsequent to the measurement date                                 | 299,672                                             | -                                                  |
|                                                                                  | <u>\$ 2,099,135</u>                                 | <u>\$ (2,586,116)</u>                              |

The employer contribution of \$299,672 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, 2022.



**7. PENSION PLAN (CONTINUED)**

***Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions (Continued)***

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, 2022 | \$ (132,971)        |
| December 31, 2023 | (42,562)            |
| December 31, 2024 | (131,959)           |
| December 31, 2025 | (479,161)           |
|                   | <u>\$ (786,653)</u> |

***ERS Actuarial Assumptions***

The total pension liability measured at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

|                            |      |
|----------------------------|------|
| Interest rate              | 5.9% |
| Salary increase            | 4.4% |
| Inflation rate             | 2.7% |
| Cost of living adjustments | 1.4% |

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period August 1, 2015 - March 31, 2020.

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, 2021 for ERS were as follows:

| <u>Asset Class</u>      | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|-------------------------|-------------------------------------------------------|
| Domestic equity         | 4.05%                                                 |
| International equity    | 6.30%                                                 |
| Private equity          | 6.75%                                                 |
| Real estate             | 4.95%                                                 |
| Opportunistic portfolio | 4.50%                                                 |
| Real assets             | 5.95%                                                 |
| Credit                  | 3.63%                                                 |
| Cash                    | .05%                                                  |



**7. PENSION PLAN (CONTINUED)**

***Discount Rate***

The discount rate used to calculate the total pension liability was 5.9%. 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 determined. 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.

***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 5.9%, as well as what the Town's proportionate share of the net pension 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:

|                                                                         | <b>1%<br/>Decrease<br/>(4.9%)</b> | <b>Current<br/>Assumption<br/>(5.9%)</b> | <b>1%<br/>Increase<br/>(6.9%)</b> |
|-------------------------------------------------------------------------|-----------------------------------|------------------------------------------|-----------------------------------|
| Employers' proportionate share<br>of the net pension assets (liability) | \$ (2,444,930)                    | \$ (8,809)                               | \$ 2,237,866                      |

***Pension Plan Fiduciary Net Position***

The components of the net pension liability of the Plan as of March 31, 2021 was as follows (in thousands):

|                                                                        |                    |
|------------------------------------------------------------------------|--------------------|
| Plan total pension liability                                           | \$ (220,680,157)   |
| Fiduciary net position                                                 | <u>220,580,583</u> |
| Plan net pension liability                                             | <u>\$ (99,574)</u> |
| Ratio of fiduciary net position to the<br>plan total pension liability | <u>99.95%</u>      |

**8. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")**

**Plan Description**

GASBS 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**Benefits Provided**

The Town provides postemployment healthcare benefits for certain eligible retirees.

**8. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") (CONTINUED)**

**Employees Covered by Benefit Terms**

As of January 1, 2021, the following employees were covered by the benefit terms:

|                                                                          |                  |
|--------------------------------------------------------------------------|------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 13               |
| Active employees                                                         | <u>55</u>        |
| Total participants covered by OPEB Plan                                  | <u><u>68</u></u> |

**Total OPEB Liability**

The Town's total OPEB liability of \$7,187,522 at December 31, 2021 was measured as of January 1, 2020, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the January 1, 2021 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                       | 2.12%         |
| Healthcare Cost Trend Rates:        |               |
| Current Year Trend (Pre 65/Post 65) | .21%/(62.99)% |
| Second Year Trend                   | 9.5%          |
| Decrement                           | .50%          |
| Ultimate Trend                      | 5.0%          |
| Year Ultimate Trend is Reached      | 2030          |
| 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 December 31, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Year 2006).

**Changes in the Total OPEB Liability**

|                                  |                            |
|----------------------------------|----------------------------|
| OPEB Liability Beginning of Year | \$ 6,857,425               |
| Changes for the Year:            |                            |
| Service Cost                     | 352,738                    |
| Interest                         | 143,615                    |
| Benefit Payments                 | <u>(166,256)</u>           |
| OPEB Liability End of Year       | <u><u>\$ 7,187,522</u></u> |

**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 2.12%, 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:

|                      | <u>Discount Rate</u> |                     |                     |
|----------------------|----------------------|---------------------|---------------------|
|                      | <u>1% Decrease</u>   | <u>Baseline</u>     | <u>1% Increase</u>  |
| Total OPEB Liability | <u>\$ 8,723,312</u>  | <u>\$ 7,187,522</u> | <u>\$ 6,012,614</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 the trend rate of 0.21%/(62.99%), as well as what the Town's total OPEB Liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                      | <u>Healthcare Cost Trend Rate</u> |                     |                     |
|----------------------|-----------------------------------|---------------------|---------------------|
|                      | <u>1% Decrease</u>                | <u>Baseline</u>     | <u>1% Increase</u>  |
| Total OPEB Liability | <u>\$ 5,815,696</u>               | <u>\$ 7,187,522</u> | <u>\$ 9,058,880</u> |

**OPEB Expense**

For the year ended December 31, 2021, the Town recognized an OPEB expense as follows:

|                                                   | <u>2021</u>         |
|---------------------------------------------------|---------------------|
| Service Cost                                      | \$ 352,738          |
| Interest                                          | 143,615             |
| Amortization of Deferred Charges:                 |                     |
| Difference Between Expected and Actual Experience | 120,172             |
| Changes of Assumptions or Other Inputs            | <u>482,909</u>      |
| Net OPEB Expense                                  | <u>\$ 1,099,434</u> |

**8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**OPEB Expense (Continued)**

At December 31, 2021, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

|                                                    | <b>Total Deferred<br/>Outflows<br/>of Resources</b> | <b>Total Deferred<br/>Inflows<br/>of Resources</b> |
|----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| Differences between expected and actual experience | \$ 1,980,971                                        | \$ (1,636,872)                                     |
| Change in assumptions                              | <u>3,387,903</u>                                    | <u>-</u>                                           |
|                                                    | <u><b>\$ 5,368,874</b></u>                          | <u><b>\$ (1,636,872)</b></u>                       |

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

|                   |                            |
|-------------------|----------------------------|
| December 31, 2022 | \$ 603,081                 |
| December 31, 2023 | 603,081                    |
| December 31, 2024 | 603,081                    |
| December 31, 2025 | 603,081                    |
| Thereafter        | <u>1,319,678</u>           |
|                   | <u><b>\$ 3,732,002</b></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, 2020 measurement date, the following participants were covered by the benefit terms:

|                                                                          |                  |
|--------------------------------------------------------------------------|------------------|
| Inactive participants currently receiving benefit payments               | 10               |
| Inactive participants entitled to but not yet receiving benefit payments | 11               |
| Active participants                                                      | <u>7</u>         |
| Total                                                                    | <u><b>28</b></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, 2021 of \$584,034 was measured at December 31, 2020 using an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2020 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 2025 with scale MP 2020.

Discount Rate: The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. 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 Services, AA by Fitch or AA by Standard & Poor's Rating Services.

**Changes in the Total Pension Liability**

|                                                    |                   |
|----------------------------------------------------|-------------------|
| Balance as of 12/31/2019 measurement date          | \$ 465,823        |
| Service Cost                                       | 10,671            |
| Interest                                           | 15,176            |
| Changes of assumptions or other inputs             | 109,381           |
| Differences between expected and actual experience | 4,950             |
| Benefit Payments                                   | (21,967)          |
| Balance as of 12/31/2020 measurement date          | <u>\$ 584,034</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 1.93% 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:

**9. VOLUNTEER EMERGENCY SQUAD SERVICE AWARD PROGRAM (CONTINUED)**

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

|                         | <b>1%<br/>Decrease<br/>(.93%)</b> | <b>Current Discount<br/>Rate<br/>(1.93%)</b> | <b>1%<br/>Increase<br/>(2.93%)</b> |
|-------------------------|-----------------------------------|----------------------------------------------|------------------------------------|
| Total pension liability | \$ <u>691,742</u>                 | \$ <u>584,034</u>                            | \$ <u>500,003</u>                  |

For the year ended December 31, 2021, the Town recognized pension expense of \$54,395.

**Components of Pension Expense**

|                                                    |                  |
|----------------------------------------------------|------------------|
| Service cost                                       | \$ 10,671        |
| Interest                                           | 15,176           |
| Changes of assumptions or other inputs             | 24,797           |
| Differences between expected and actual experience | 639              |
| Pension plan administrative expenses               | <u>3,112</u>     |
| Total Pension Expense                              | <u>\$ 54,395</u> |

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

At December 31, 2021, the Town reported deferred outflows and deferred inflows of resources from the following sources:

|                                                                                 | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                              | \$ 6,217                                      | \$ (7,758)                                   |
| Changes of assumptions or other inputs                                          | 124,237                                       | (39,059)                                     |
| Benefit payments and administrative expenses subsequent to the measurement date | <u>26,761</u>                                 | <u>-</u>                                     |
| Total                                                                           | <u>\$ 157,215</u>                             | <u>\$ (46,817)</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, 2022.

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: |                  |
| 2022                    | \$ 25,436        |
| 2023                    | 25,436           |
| 2024                    | 25,436           |
| 2025                    | 3,657            |
| 2026                    | (1,786)          |
| Thereafter              | <u>5,458</u>     |
|                         | <u>\$ 83,637</u> |

**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<br/>Squad</u> | <u>Capital<br/>Projects</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>         |
|--------------------------|----------------------|---------------------|----------------------------|-----------------------------|-----------------------------------------|----------------------|
| Nonspendable             |                      |                     |                            |                             |                                         |                      |
| Inventory                | \$ -                 | \$ 55,107           | \$ -                       | \$ -                        | \$ -                                    | \$ 55,107            |
| Prepaid expenses         | 124,348              | 52,495              | -                          | -                           | -                                       | 176,843              |
|                          | <u>124,348</u>       | <u>107,602</u>      | <u>-</u>                   | <u>-</u>                    | <u>-</u>                                | <u>231,950</u>       |
| Restricted               |                      |                     |                            |                             |                                         |                      |
| Sidewalks                | 6,036                | -                   | -                          | -                           | -                                       | 6,036                |
| Parks                    | 262,878              | -                   | -                          | -                           | -                                       | 262,878              |
| Traffic mitigation       | -                    | 1,049,502           | -                          | -                           | -                                       | 1,049,502            |
| Equipment                | -                    | 275,004             | -                          | -                           | -                                       | 275,004              |
|                          | <u>268,914</u>       | <u>1,324,506</u>    | <u>-</u>                   | <u>-</u>                    | <u>-</u>                                | <u>1,593,420</u>     |
| Assigned                 |                      |                     |                            |                             |                                         |                      |
| Encumbrances             | 42,921               | 89,642              | -                          | -                           | -                                       | 132,563              |
| Stormwater               | 102,945              | -                   | -                          | -                           | -                                       | 102,945              |
| Highway                  | -                    | 528,804             | -                          | -                           | -                                       | 528,804              |
| Emergency squad          | -                    | -                   | 97,911                     | -                           | -                                       | 97,911               |
| Capital projects         | -                    | -                   | -                          | 374,584                     | -                                       | 374,584              |
| Other governmental funds | -                    | -                   | -                          | -                           | 26,906                                  | 26,906               |
|                          | <u>145,866</u>       | <u>618,446</u>      | <u>97,911</u>              | <u>374,584</u>              | <u>26,906</u>                           | <u>1,263,713</u>     |
| Unassigned               | <u>10,864,433</u>    | <u>-</u>            | <u>-</u>                   | <u>-</u>                    | <u>-</u>                                | <u>10,864,433</u>    |
|                          | <u>\$ 11,403,561</u> | <u>\$ 2,050,554</u> | <u>\$ 97,911</u>           | <u>\$ 374,584</u>           | <u>\$ 26,906</u>                        | <u>\$ 13,953,516</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, 2021 the Town's workers' compensation premium was \$77,266. 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 Joseph E. Mastrianni, Inc. ("the Entity") under which the Entity serves as full administrator of the Section 8 Housing Assistance Program. The Entity 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, 2021 the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

## **12. UNCERTAINTY**

The United States is presently in the midst of a national health emergency related to a virus commonly known 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**

**WEBSITE**

**TOWN OF WILTON, NEW YORK**  
**BUDGETARY COMPARISON STATEMENT - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                   | <u>Adopted<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Encumbrances</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---------------------------------------------------|---------------------------|-------------------------|------------------|---------------------|-------------------------------------------------|
| <b>Revenues</b>                                   |                           |                         |                  |                     |                                                 |
| Real property tax items                           | \$ 8,500                  | \$ 8,500                | \$ 5,908         | \$ -                | \$ (2,592)                                      |
| Non-property tax items                            | 3,215,911                 | 3,215,911               | 4,869,095        | -                   | 1,653,184                                       |
| Departmental income                               | 866,300                   | 816,300                 | 494,046          | -                   | (322,254)                                       |
| Use of money and property                         | 33,687                    | 33,687                  | 16,588           | -                   | (17,099)                                        |
| Licenses and permits                              | 107,900                   | 107,900                 | 148,043          | -                   | 40,143                                          |
| Fines and forfeitures                             | 200,000                   | 200,000                 | 231,272          | -                   | 31,272                                          |
| Sale of property and compensation for loss        | -                         | 25,860                  | 28,866           | -                   | 3,006                                           |
| Miscellaneous local sources                       | -                         | 42,246                  | 62,922           | -                   | 20,676                                          |
| State aid                                         | 575,546                   | 550,000                 | 1,148,861        | -                   | 598,861                                         |
| Total revenues                                    | <u>5,007,844</u>          | <u>5,000,404</u>        | <u>7,005,601</u> | <u>-</u>            | <u>2,005,197</u>                                |
| <b>Expenditures</b>                               |                           |                         |                  |                     |                                                 |
| General government support                        | 2,098,947                 | 2,285,606               | 1,933,043        | 23,740              | 328,823                                         |
| Public safety                                     | 172,060                   | 222,849                 | 152,792          | 2,446               | 67,611                                          |
| Health                                            | 1,500                     | 1,500                   | 1,500            | -                   | -                                               |
| Transportation                                    | 215,381                   | 257,560                 | 250,329          | -                   | 7,231                                           |
| Economic assistance and opportunity               | 37,962                    | 37,962                  | 30,091           | -                   | 7,871                                           |
| Culture and recreation                            | 1,076,841                 | 1,094,516               | 809,071          | 3,500               | 281,945                                         |
| Home and community services                       | 528,153                   | 580,374                 | 451,453          | 13,235              | 115,686                                         |
| Employee benefits                                 | 871,000                   | 887,780                 | 812,746          | -                   | 75,034                                          |
| Total expenditures                                | <u>5,007,844</u>          | <u>5,368,147</u>        | <u>4,441,025</u> | <u>42,921</u>       | <u>884,201</u>                                  |
| Other financing sources                           | -                         | -                       | -                | -                   | (80,000)                                        |
| Operating transfer                                | -                         | 80,000                  | -                | -                   | -                                               |
| Excess (deficiency) of revenues over expenditures | -                         | (287,743)               | \$ 2,564,576     | \$ (42,921)         | \$ 2,809,398                                    |
| Appropriated fund balance                         | -                         | 287,743                 | -                | -                   | -                                               |
|                                                   | <u>\$ -</u>               | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>         | <u>\$ -</u>                                     |

**TOWN OF WILTON, NEW YORK**  
**BUDGETARY COMPARISON STATEMENT - HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                   | <u>Adopted<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Encumbrances</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---------------------------------------------------|---------------------------|-------------------------|------------------|---------------------|-------------------------------------------------|
| <b>Revenues</b>                                   |                           |                         |                  |                     |                                                 |
| Non-property tax items                            | \$ 2,899,000              | \$ 2,899,000            | \$ 2,899,000     | \$ -                | \$ -                                            |
| Departmental income                               | 98,500                    | 126,799                 | 90,273           | -                   | (36,526)                                        |
| Use of money and property                         | 730                       | 730                     | 578              | -                   | (152)                                           |
| Sale of property and compensation for loss        | -                         | 33,460                  | 34,549           | -                   | 1,089                                           |
| Miscellaneous                                     | -                         | 15,187                  | 15,187           | -                   | -                                               |
| State aid                                         | 156,248                   | 198,119                 | 293,508          | -                   | 95,389                                          |
| Federal aid                                       | -                         | 1,743                   | 5,923            | -                   | 4,180                                           |
| Total revenues                                    | <u>3,154,478</u>          | <u>3,275,038</u>        | <u>3,339,018</u> | <u>-</u>            | <u>63,980</u>                                   |
| <b>Expenditures</b>                               |                           |                         |                  |                     |                                                 |
| Transportation                                    | 2,589,508                 | 3,030,486               | 2,754,237        | 89,642              | 186,607                                         |
| Employee benefits                                 | 564,970                   | 551,687                 | 419,560          | -                   | 132,127                                         |
| Total expenditures                                | <u>3,154,478</u>          | <u>3,582,173</u>        | <u>3,173,797</u> | <u>89,642</u>       | <u>318,734</u>                                  |
| Excess (deficiency) of revenues over expenditures | -                         | (307,135)               | \$ 165,221       | \$ (89,642)         | \$ 382,714                                      |
| Appropriated fund balance                         | -                         | 307,135                 |                  |                     |                                                 |
|                                                   | <u>\$ -</u>               | <u>\$ -</u>             |                  |                     |                                                 |

[WEBSITE](#)

**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, 2021**

|                                                                          | <u>2021</u>         | <u>2020</u>         | <u>2019</u>          | <u>2018</u>         |
|--------------------------------------------------------------------------|---------------------|---------------------|----------------------|---------------------|
| Other Postemployment Benefit Liability,<br>Beginning of Year             | \$ 6,857,425        | \$ 10,391,397       | \$ 9,605,972         | \$ 8,880,773        |
| Service Cost                                                             | 352,738             | 345,415             | 410,734              | 396,032             |
| Plan Change                                                              | -                   | (4,107,075)         | -                    | -                   |
| Interest                                                                 | 143,615             | 136,879             | 327,740              | 303,371             |
| Assumption Changes                                                       | -                   | 2,095,095           | -                    | -                   |
| Difference Between Actual and Expected<br>Experience                     | -                   | (1,841,481)         | 204,240              | 149,482             |
| Benefit Payments                                                         | <u>(166,256)</u>    | <u>(162,805)</u>    | <u>(157,289)</u>     | <u>(123,686)</u>    |
| Other Postemployment Benefit Liability,<br>Ending of Year                | <u>\$ 7,187,522</u> | <u>\$ 6,857,425</u> | <u>\$ 10,391,397</u> | <u>\$ 9,605,972</u> |
| Covered Payroll                                                          | <u>\$ 2,426,768</u> | <u>\$ 2,341,486</u> | <u>\$ 2,427,292</u>  | <u>\$ 2,339,559</u> |
| Total Other Postemployment Benefit<br>Liability as Percentage of Payroll | <u>296.2%</u>       | <u>292.9%</u>       | <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, 2021**

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New York State Employee Retirement System Pension Plan

|                                                                                                           | <u>2021</u>  | <u>2020</u>  | <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%         | .01%         | .01%         |
| Town's proportionate share of the net pension liability                                                   | \$ 8,809     | \$ 2,232,049 | \$ 643,454   | \$ 288,615   | \$ 809,819   | \$ 1,499,104 | \$ 302,925   |
| Town's covered payroll                                                                                    | \$ 2,426,768 | \$ 2,341,486 | \$ 2,427,292 | \$ 2,339,559 | \$ 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 | .4%          | 95.3%        | 26.5%        | 10.1%        | 32.2%        | 64.1%        | 13.6%        |
| Plan fiduciary net position as a percentage of the total pension liability                                | 99.9%        | 86.4%        | 96.3%        | 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, 2021**

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New York State Employee Retirement System Pension Plan

|                                                                      | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    |
|----------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contributions                                 | \$ 399,563     | \$ 358,210     | \$ 360,626     | \$ 372,668     | \$ 363,693     | \$ 340,624     | \$ 400,196     |
| Contributions in relation to the contractually required contribution | <u>399,563</u> | <u>358,210</u> | <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>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Town's covered payroll                                               | \$2,426,768    | \$ 2,341,486   | \$ 2,427,292   | \$ 2,339,559   | \$ 2,516,610   | \$ 2,338,990   | \$ 2,288,722   |
| Contributions as a percentage of covered payroll                     | 16.5%          | 15.3%          | 14.9%          | 15.9%          | 14.5%          | 14.6%          | 17.5%          |



**ADDITIONAL REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**WEBSITE**

**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 the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 22, 2022.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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  
June 22, 2022