

TOWN OF WILTON, NEW YORK

*FINANCIAL REPORT
DECEMBER 31, 1999*

TOWN OF WILTON, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Town of Wilton, New York, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Wilton, New York's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Wilton, New York, as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 20, 2000

TOWN OF WILTON, NEW YORK
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Memorandum Only Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>Fixed Assets</u>	<u>Long-term Obligations</u>	
ASSETS							
Cash	\$ 868,073	\$ 317,286	\$ 437,088	\$ -	\$ -	\$ -	\$ 1,622,447
Other receivables	37,928	1,243	24,944	-	-	-	64,115
State and federal receivables	2,882	-	83,657	-	-	-	86,539
Due from other governments	354,348	-	79,796	-	-	-	434,144
Due from other funds	184,102	-	-	24,000	-	-	208,102
Restricted cash	-	26,780	-	230,168	-	-	256,948
Inventory	3,254	22,294	-	-	-	-	25,548
Prepaid expenditures	18,265	10,283	-	-	-	-	28,548
Fixed assets	-	-	-	-	6,626,317	-	6,626,317
Amount to be provided for retirement of long-term debt	-	-	-	-	-	1,962,966	1,962,966
	<u>\$ 1,468,852</u>	<u>\$ 377,886</u>	<u>\$ 625,485</u>	<u>\$ 254,168</u>	<u>\$ 6,626,317</u>	<u>\$ 1,962,966</u>	<u>\$11,315,674</u>

TOWN OF WILTON, NEW YORK
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
DECEMBER 31, 1999

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Memorandum Only Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>Fixed Assets</u>	<u>Long-term Obligations</u>	
LIABILITIES & FUND EQUITY							
LIABILITIES							
Accounts payable	\$ 94,145	\$ 59,554	\$ 40,385	\$ -	\$ -	\$ -	\$ 194,084
Accrued liabilities	10,355	9,925	-	-	-	30,033	50,313
Agency liabilities	-	-	-	237,882	-	-	237,882
Deferred revenue	-	19,459	-	-	-	-	19,459
Due to other funds	-	25,000	178,980	4,122	-	-	208,102
Compensated absences	-	-	-	-	-	12,933	12,933
Bonds and notes	-	-	-	-	-	1,920,000	1,920,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,920,000</u>	<u>1,920,000</u>
Total liabilities	<u>104,500</u>	<u>113,938</u>	<u>219,365</u>	<u>242,004</u>	<u>-</u>	<u>1,962,966</u>	<u>2,642,773</u>
COMMITMENTS AND CONTINGENCIES							
FUND EQUITY							
Investment in fixed assets	-	-	-	-	6,626,317	-	6,626,317
Fund balances:							
Reserved for:							
Encumbrances	48,364	4,000	-	-	-	-	52,364
Trust	-	-	-	12,164	-	-	12,164
Inventory	3,254	22,294	-	-	-	-	25,548
Capital Projects	-	-	406,120	-	-	-	406,120
Equipment	-	33,449	-	-	-	-	33,449
Unreserved							
Designated-ensuing year's budget	326,508	225,000	-	-	-	-	551,508
Undesignated	<u>986,226</u>	<u>(20,795)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>965,431</u>
Total fund equity	<u>1,364,352</u>	<u>263,948</u>	<u>406,120</u>	<u>12,164</u>	<u>6,626,317</u>	<u>-</u>	<u>8,672,901</u>
	<u>\$ 1,468,852</u>	<u>\$ 377,886</u>	<u>\$ 625,485</u>	<u>\$ 254,168</u>	<u>\$ 6,626,317</u>	<u>\$ 1,962,966</u>	<u>\$ 11,315,674</u>

See accompanying notes and independent auditor's report.

TOWN OF WILTON, NEW YORK
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types			Expensible Trust	Memorandum Only Total
	General	Special Revenue	Capital Projects		
REVENUES AND OTHER FINANCING SOURCES	expenditures and other financing uses		(146,334) <u>1,510,686</u> <u>\$ 1,364,352</u>		65,027 <u>198,921</u> <u>\$ 263,948</u>
Revenues:					
Real property taxes	Fund balances,	\$ -		\$ 223,000	
Real property tax items	beginning	8,022		-	
Non-property tax items	Fund balances,	1,112,181		795,573	
Departmental income	ending	512,793		-	
Use of money and property		93,365		9,466	
Licenses and permits		4,175		-	
Fines and forfeitures		187,745		-	
Sale of property and compensation for loss		788		50	
Miscellaneous local sources		3,257		2,765	
State aid		367,540		84,033	
Federal aid		-		<u>142,282</u>	
Total revenue		<u>2,289,866</u>		<u>1,257,169</u>	
Other financing sources:					
County distribution of surplus		356,489		-	
Bonds redeemed		-		-	
Operating transfers		-		<u>541,277</u>	
Total revenues and other financing sources		<u>2,646,355</u>		<u>1,798,446</u>	
EXPENDITURES AND OTHER FINANCING USES					
Expenditures:					
General government support		769,845		-	
Public safety		45,499		-	
Health		12,113		248,000	
Transportation		112,540		1,156,490	
Economic assistance and opportunity		20,934		142,297	
Culture and recreation		374,469		-	
Home and community services		193,016		-	
Employee benefits		139,043		94,607	
Debt service (principal and interest)		<u>284,153</u>		<u>92,025</u>	
Total expenditures		1,951,612		1,733,419	
Other financing uses:					
Operating transfers		<u>841,077</u>		-	
Total expenditures and other financing uses		<u>2,792,689</u>		<u>1,733,419</u>	
Excess (deficiency) of revenues and other financing sources over					

\$	-	\$	-	\$	223,000
	-		-		8,022
85,186	-		-		1,907,754
12,714	-		-		597,979
	-		316		115,861
	-		-		4,175
	-		-		187,745
826,157	-		-		838
93,415	-		3,492		835,671
	-		-		544,988
	-		-		<u>142,282</u>
<u>1,017,472</u>	-		<u>3,808</u>		<u>4,568,315</u>
	-		-		356,489
90,000	-		-		90,000
<u>299,800</u>	-		-		<u>841,077</u>
<u>1,407,272</u>	-		<u>3,808</u>		<u>5,855,881</u>
	-		-		
288,244	-		-		1,058,089
14,400	-		-		59,899
	-		-		260,113
768,185	-		-		2,037,215
	-		-		163,231
3,087	-		1,590		379,146
110	-		-		193,126
	-		-		233,650
	-		-		<u>376,178</u>
	-		1,590		4,760,647
<u>1,074,026</u>	-		-		<u>841,077</u>
	-		<u>1,590</u>		<u>5,601,724</u>
	-		-		
<u>1,074,026</u>	-		2,218		254,157
	-		9,946		<u>1,792,427</u>
333,246	-		<u>\$ 12,164</u>		<u>\$ 2,046,584</u>
<u>72,874</u>	-				
<u>\$ 406,120</u>	-				

TOWN OF WILTON, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

See accompanying notes and independent auditor's report.

GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General Fund</u>			<u>Special Revenue Fund</u>		
	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues and Other Financing Sources						
Revenues:						
Real property taxes	\$ -	\$ -	\$ -	\$ 223,000	\$ 223,000	\$ -
Real property tax items	8,700	8,022	(678)	-	-	-
Non-property tax items	1,039,518	1,112,181	72,663	795,573	795,573	-
Departmental income	531,420	512,793	(18,627)	-	-	-
Use of money and property	100,600	93,365	(7,235)	2,500	9,466	6,966
Licenses and permits	4,600	4,175	(425)	-	-	-
Fines and forfeitures	190,000	187,745	(2,255)	-	-	-
Sale of property and compensation for loss	75	788	713	6,500	50	(6,450)
Miscellaneous local sources	875	3,257	2,382	2,700	2,750	50
State aid	<u>325,561</u>	<u>367,540</u>	<u>41,979</u>	<u>83,000</u>	<u>84,033</u>	<u>1,033</u>
Total revenues	2,201,349	2,289,866	88,517	1,113,273	1,114,872	1,599
Other Financing Sources:						
County distribution of surplus	-	*	-	-	-	-
Operating transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>541,791</u>	<u>541,277</u>	<u>(514)</u>
Total revenues and other financing sources	<u>\$ 2,201,349</u>	<u>\$ 2,289,866</u>	<u>\$ 88,517</u>	<u>\$ 1,655,064</u>	<u>\$ 1,656,149</u>	<u>\$ 1,085</u>

* County distribution of surplus of \$356,489 was not budgeted.

TOWN OF WILTON, NEW YORK
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund			Special Revenue Fund		
	<u>Modified Budget</u>	<u>Actual Adjusted for Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Modified Budget</u>	<u>Actual Adjusted for Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures and Other Financing Uses						
Expenditures:						
General government support	\$ 868,614	\$ 771,845	\$ 96,769	\$ -	\$ -	\$ -
Public safety	56,385	48,835	7,550	-	-	-
Health	16,974	12,113	4,861	248,000	248,000	-
Transportation	120,614	122,790	(2,176)	1,317,254	1,160,490	156,764
Economic assistance and opportunity	53,220	35,834	17,386	-	-	-
Culture and recreation	464,134	392,347	71,787	-	-	-
Home and community services	247,679	193,016	54,663	-	-	-
Employee benefits	148,278	139,043	9,235	97,075	94,607	2,468
Debt service (principal and interest)	<u>284,200</u>	<u>284,153</u>	<u>47</u>	<u>93,645</u>	<u>92,025</u>	<u>1,62</u>
Total expenditures	2,260,098	1,999,976	260,122	1,755,974	1,595,122	160,852
Other financing uses:						
Operating transfers	<u>841,591</u>	<u>841,077</u>	<u>514</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>3,101,689</u>	<u>2,841,053</u>	<u>260,636</u>	<u>1,755,974</u>	<u>1,595,122</u>	<u>160,852</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses						
	<u>\$ 900,340</u>	<u>\$ (551,187)</u>	<u>\$ 349,153</u>	<u>\$ (100,910)</u>	<u>\$ 61,027</u>	<u>\$ 161,937</u>

NOTE 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 its Town Charter, other 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 service, economic assistance and other general services. The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the acceptable standards setting body for establishing accounting and financial reporting practices. The following is a summary of significant policies:

- (a) Financial Reporting Entity: The financial reporting entity consists of (a) the primary government which is the Town of Wilton, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14.

The decision to include a potential component unit in the Town reporting entity is based on several criteria set forth in GASB 14 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 200 square feet of office space at no charge to the Authority.

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

The Wilton Global Job Development Corporation 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.

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 Corporation and accountability for fiscal matters. The Town is not liable for any debt incurred by the Corporation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (b) *Basis of Presentation - Fund Accounting:* The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. 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 various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The following fund types and account groups are used by the Town.

GOVERNMENTAL FUND TYPES

Governmental funds are those in which most governmental functions of the Town are reported. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon determination of net income. The following are the Town's 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 District Fund - established to account for the financial resources to be used to contract for emergency squad services for the Town.
- ! Special Grant Fund - to account for the use of federal monies provided by the United States Department of Housing and Urban Development to fund the Town's Section 8 Housing Assistance Program.

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

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the Town as an agent for individuals, private organizations, other governmental units, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNT GROUPS

Account groups are used to establish accounting controls and accountability for general fixed assets and general long-term debt. The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Fixed Asset Account Group - This account group is established to account for all fixed assets of the Town.

General Long-Term Debt Account Group - This account group is used to record all long-term obligations of the Town, such as compensated absences and bonds.

(c) Basis of Accounting: The modified accrual basis of accounting is followed by the governmental and expendable trust funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable except that:

! Interest on long-term debt is not recognized as an expenditure until paid.

! Compensated absences, which vest or accumulate, are charged as an expenditure when paid.

In applying the susceptible-to-accrual concept to State and Federal Aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

The primary non-property tax item is sales tax which is recorded as revenue in the general and the Townwide highway fund when it is received by Saratoga County and available for distribution to the Town. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

(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 of the budget. However, department heads are authorized to transfer certain budgeted amounts within their departmental line items upon written request to the accounting office.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Budgetary Data (Continued):

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.

The special grant fund has not been included in the comparison because it does not have a legally authorized (appropriated) budget. The actual activity of the special grant fund, as follows, is provided in order to reconcile to the total combined balances of the special revenue funds.

	Fund Balance January 1, <u>1999</u>	Revenues and <u>Other Sources</u>	<u>Expenditures</u>	Fund Balance December 31, <u>1999</u>
Total for funds included in budget comparison	\$ 198,921	\$ 1,656,149	\$ 1,595,122	\$ 259,948
Special grant fund	-	142,297	142,297	-
Adjust for encumbrance	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>4,000</u>
Total for funds included in financial statement	<u>\$ 198,921</u>	<u>\$ 1,798,446</u>	<u>\$ 1,733,419</u>	<u>\$ 263,948</u>

(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 expenditure or liabilities.

(f) Investments: Investments are stated at cost which approximates market value.

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

(h) General Fixed Assets: Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the fixed assets account group. These fixed assets are valued at historical cost or estimated historical cost if actual cost is not available (assets purchased prior to 1987). Donated fixed assets are valued at their estimated fair value on the date donated.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks and drainage have not been capitalized. Such assets normally are immovable and of value only to the Town. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest been capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (i) 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. The liability for accumulated vacation has been recorded in the general long-term debt account group. Employees are not entitled to sick time upon termination, therefore no liability for accrued sick leave has been recorded.

Payment of accumulated vacation recorded in the general long-term debt account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for payment of accumulated vacation leave when such payments become due.

- (j) 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.
- (k) Post-Retirement Benefits: In addition to providing pension benefits, the Town provides certain health care benefits for retired employees. Substantially all the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The Town recognizes the cost of providing these post-retirement benefits by expensing the annual insurance premiums, which for the year ended December 31, 1999 was \$11,658 for seven retirees.
- (l) Total Columns on Combined Statements: Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 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.

During 1999, cash and investments were either insured by federal depository insurance or collateralized by assets of the Town's custodial bank in the Town's name.

NOTE 3. POOLED BANK ACCOUNTS

Separate bank accounts are not maintained for each of the Town's funds. Instead, cash is pooled and deposited in pooled bank accounts with accounting records maintained to show the portion of the balance attributable to each fund. At December 31, 1999 the Town's funds had the following book balances in the pooled bank accounts:

<u>Fund</u>	<u>Cash</u>
General	\$ 867,198
Townwide Highway	317,286
Capital Projects	<u>437,088</u>
	<u><u>\$ 1,621,572</u></u>

NOTE 4. SPECIAL DISTRICT TAXES

Special district tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the emergency squad district fund based upon budgeted amounts. The current year's special district taxes are levied to collect taxes due as of January 1 based on the assessed value of real property within the Town.

Taxes for special district purposes are levied together with taxes for the County as a single bill. The special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all special district taxes levied in the Town.

NOTE 5. RESTRICTED CASH

Restricted cash consist of a Section 8 Housing cash account in the amount of \$26,780, and Trust and Agency cash of \$230,168.

NOTE 6. FIXED ASSETS

A summary of changes in the fixed asset account group is as follows:

	Balance January 1, <u>1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1999</u>
Land and improvements	\$ 760,426	\$ 166,144	\$ -	\$ 926,570
Leasehold improvements	44,505	3,087	-	47,592
Buildings	3,578,481	51,060	-	3,629,541
Machinery and equipment	<u>1,817,294</u>	<u>211,449</u>	<u>6,129</u>	<u>2,022,614</u>
	<u><u>\$ 6,200,706</u></u>	<u><u>\$ 431,740</u></u>	<u><u>\$ 6,129</u></u>	<u><u>\$ 6,626,317</u></u>

TOWN OF WILTON, NEW YORK
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1999

NOTE 7. DEBT

A summary of changes in debt is as follows:

	Balance January 1, 1999	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 1999
Bonds (Long-Term)	\$ 2,085,000	\$ -	\$ 165,000	\$ 1,920,000
Bond (Current)	90,000	-	90,000	-
Compensated absences*	10,425	2,508	-	12,933
Accrued Expenses	-	30,033	-	30,033
	<u>\$ 2,185,425</u>	<u>\$ 32,541</u>	<u>\$ 255,000</u>	<u>\$ 1,962,966</u>

* Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

Bond - (Current)

The serial bond was fully paid in March 1999.

Bonds (Long-Term)

Bond indebtedness is as follows:

<u>Description</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	Balance December 31, 1999
Landfill Closure	4/92	\$ 50,000	6.25%	11/00	\$ 50,000
Landfill Closure	4/92	50,000	6.50%	11/01	50,000
Landfill Closure	4/92	50,000	6.50%	11/02	50,000
Public Improvements	5/95	70,000	5.625%	5/00	70,000
Public Improvements	5/95	70,000	5.70%	5/01	70,000
Public Improvements	5/95	75,000	5.70%	5/02	75,000
Public Improvements	5/95	80,000	5.70%	5/03	80,000
Public Improvements	5/95	85,000	5.70%	5/04	85,000
Public Improvements	5/95	90,000	5.70%	5/05	90,000
Public Improvements	5/95	95,000	5.70%	5/06	95,000
Public Improvements	5/95	105,000	5.70%	5/07	105,000
Public Improvements	5/95	110,000	5.70%	5/08	110,000
Public Improvements	5/95	115,000	5.70%	5/09	115,000
Public Improvements	5/95	125,000	5.70%	5/10	125,000
Public Improvements	5/95	135,000	5.70%	5/11	135,000
Public Improvements	5/95	140,000	5.70%	5/12	140,000
Public Improvements	5/95	150,000	5.75%	5/13	150,000
Public Improvements	5/95	160,000	5.80%	5/14	160,000
Public Improvements	5/95	165,000	5.80%	5/15	165,000
					<u>\$ 1,920,000</u>

TOWN OF WILTON, NEW YORK
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1999

NOTE 7. DEBT (CONTINUED)

The Town's future debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2000	\$ 120,000	\$ 108,973	\$ 228,973
2001	120,000	101,875	221,875
2002	125,000	94,492	219,492
2003	80,000	86,825	166,825
2004	85,000	82,123	167,123
Thereafter	<u>1,390,000</u>	<u>488,630</u>	<u>1,878,630</u>
	<u>\$ 1,920,000</u>	<u>\$ 962,918</u>	<u>\$ 2,882,918</u>

Total interest expenditures for the year ended December 31, 1999 were \$119,153.

NOTE 8. RESERVED FUND BALANCES

GENERAL FUND:

Reserve for Encumbrances - The amount of \$48,364 has been reserved for fulfillment of open 1999 purchase orders and, therefore, is not an available current financial resource.

Reserve for Inventory - The amount of \$3,254 has been reserved against the value of inventory which is not an available current financial resource.

HIGHWAY FUND:

Reserve for Encumbrances - The amount of \$4,000 has been reserved for fulfillment of open 1999 purchase orders and, therefore, is not an available current financial resource.

Reserve for Inventory - The amount of \$22,294 has been reserved against the value of inventory which is not an available current financial resource.

Reserve for Equipment - The amount of \$33,449 has been reserved against the value of equipment which is not an available current financial resource.

CAPITAL PROJECTS FUND:

Capital Projects - Fund balances have been reserved as follows:

Smith Bridge Dam Project	\$ 218,255
Smith Bridge Curve	25,050
Land Purchase	114,942
Other Projects	<u>47,873</u>
	<u>\$ 406,120</u>

NOTE 9. OPERATING TRANSACTIONS

During the course of normal operations, the Town records numerous transactions between funds including expenditures for the provision of services as well as transfers between funds to finance various projects.

For the year ended December 31, 1999, \$541,277 and \$299,800 were transferred from the Town's general fund to the highway fund to subsidize operations and capital projects funds, respectively.

Interfund receivable and payable balances arising from these transactions as of December 31, 1999 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 184,102	\$ -
Capital Projects	-	178,980
Trust and Agency	24,000	4,122
Special Revenue	-	25,000
	<u>\$ 208,102</u>	<u>\$ 208,102</u>

NOTE 10. PENSION PLAN

Plan Description

The Town participates in the New York State and Local Employees' Retirement System and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

NOTE 10. PENSION PLAN (CONTINUED)

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were as follows:

1999	\$ 1,402
1998	5,905
1997	13,651

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ended March 31, 1988 and 1989 (which otherwise were to have been paid on June 30, 1989 and 1990, respectively) over a 17 year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability. The Town elected to make the full payment on December 15, 1989. As of December 31, 1999, the Town had no accumulated deferred credits remaining.

NOTE 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 general purpose financial statements taken as a whole.

Self-Insurance: The Town participates in a self-insurance plan for workers' compensation under Local Law No. 1 and 2, 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan 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 Town contribution to the plan is levied together with taxes for the County and special district purposes as a single bill.

Grant Programs: The Town has entered into a housing assistance payment contract with the Department of Housing and Urban Development (HUD), which expires January 31, 2000. Under the terms of this contract, the Town will receive varying amounts of monthly rental assistance payments based upon the size of the dwelling unit, to a maximum annual rental assistance of \$129,000 for all dwelling units, with an additional amount to be received for program administration. Total rental assistance received from HUD was \$142,282 for the year ended December 31, 1999.

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

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

Lease: The Town has constructed a State Police barracks on land leased from the New York State Police (the "Police") for a negligible annual amount. Simultaneously to the land lease, the Town and the Police entered into an agreement for the Police to lease from the Town the barracks for a period of ten years with an automatic option to renew for another five years. Minimum annual lease payments are equivalent to fifty percent of the annual debt service over a fifteen year period. In the event the Police fails to provide sufficient appropriation for the lease payments, the Town will be required to fund the entire debt service.

The amount to be received over the next five years under the terms of the lease are as follows:

2000	\$ 26,603
2001	26,603
2002	26,603
2003	26,603
2004	26,603

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, 1999 the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

**ADDITIONAL REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

**REPORT ON COMPLIANCE ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT ON FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the Town of Wilton as of and for the year ended December 31, 1999, and have issued our report thereon dated April 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Wilton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and the Town Board. However, this report is a matter of public record and its distribution is not limited.

Latham, New York
April 20, 2000

CUSACK & COMPANY, CPA'S LLC