

PLAINVIEW WATER DISTRICT
AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2018

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Plainview Water District
Plainview, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plainview Water District, (the "District"), a component unit of the Town of Oyster Bay, New York as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BEYOND THE NUMBERS...

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2018 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A to the financial statements, in 2018, the District adopted a new accounting pronouncement, Government Accounting Standards Board Statement ("GASB") No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This Statement replaces the requirements of Statements No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"*, as amended, and No. 57, *"OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans"*, for OPEB. Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, establishes new accounting and financial reporting requirements for OPEB plans. Information necessary to retroactively restate the 2017 financial statements is not available. Accordingly, the cumulative effect of applying this change in accounting principle resulted in a \$6,148,482 adjustment to the 2018 beginning net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total other postemployment benefits (OPEB) liability and related ratios, schedule of the District's proportionate share of the net pension liability, and schedule of District's contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 inquires 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plainview Water District, New York's basic financial statements. The capital projects fund - schedule of project expenditures listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Matters (continued)

Other Information (continued)

The capital projects fund - schedule of project expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital projects fund - schedule of project expenditures is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Albrecht, Vigor, Zwick and Conry, P.C.

Hauppauge, New York
June 27, 2019

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Plainview Water District, a component unit of the Town of Oyster Bay (the "Town"), New York's (the "District") financial performance provides an overview of the District's financial activities for the year ended December 31, 2018. Please read it in conjunction with the District's financial statements and notes to financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018 fiscal year are as follows:

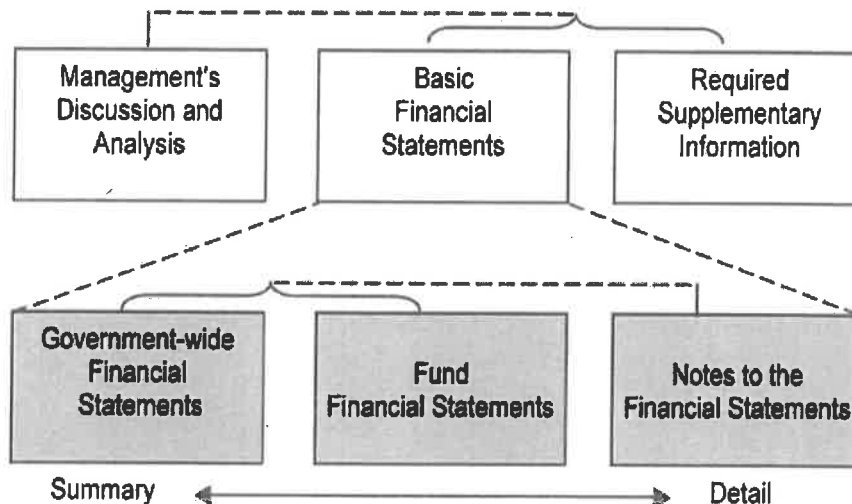
- The District's total net position, as reflected in the government-wide financial statements, was \$14,204,295 at December 31, 2018. This balance represents a decrease of \$2,057,821 from the prior year.
- The District's general fund-fund balance, as reflected in the fund financial statements, was \$8,714,601 at December 31, 2018. This balance represents a \$2,197,873 increase over the prior year as follows:
 - Nonspendable fund balances increased by \$97,520, which represents the change in inventory and prepaid expenses.
 - Restricted fund balances increased by \$2,102,542 due to the funding of reserves and interest allocated to the reserves, offset by the use of reserves to fund a capital project.
 - Assigned fund balances increased by \$35,244 for purchases on order.
 - Unassigned fund balance decreased by \$37,433 to \$2,196,613.
- During 2010, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$14,334,600 for improvements to the District's infrastructure. However, as of December 31, 2018, the District only needed \$14,200,000 of the original authorization to complete the project. Serial bonds in the amount of \$14,200,000 have been issued to provide funding for the project and the project completed as of December 31, 2018.
- The District's 2018 property tax levy of \$4,381,975 was a 5.00% increase over the 2017 tax levy which exceed the tax cap and was approved by the Board of Commissioners. The District's tax cap was an increase of 2.13%.

PLAINVIEW WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

COMPONENTS OF THE ANNUAL FINANCIAL REPORT



Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The intent of the government-wide financial statements is to give the reader a long-term view of the District's financial condition.

The Statement of Net Position presents financial information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. This combines and consolidates the District's current financial resources with capital assets and long-term obligations. The purpose of this statement is to give the reader an understanding of the District's total net worth. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the District's activities is being supported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the District's fund financial statements.

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific or attaining certain objectives in accordance with special regulations, restriction or limitations. The District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

The District's activities are reported in governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financial decisions. Both the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures, and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Capital Project Funds.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule for the General Fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis".

The governmental fund financial statements can be found in the "Basic Financial Statements" section of this report.

Fiduciary Funds

All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary fund financial statement can be found in the "Basic Financial Statements" section of this report.

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position and changes in net position as set forth in the following condensed financial statements:

Condensed Statement of Net Position as of December 31:

	2018	2017
Assets:		
Current and other assets	\$ 9,785,099	\$ 8,343,596
Capital assets	29,668,301	29,006,471
Total Assets	39,453,400	37,350,067
Deferred Outflows of Resources	643,801	554,617
Liabilities:		
Current and other liabilities	1,742,598	3,015,980
Long-term liabilities	22,682,645	18,502,215
Total Liabilities	24,425,243	21,518,195
Deferred Inflows of Resources	1,467,663	124,373
Net Position:		
Net investment in capital assets	15,725,670	13,574,325
Restricted	6,049,351	3,946,809
Unrestricted	(7,570,726)	(1,259,018)
Total Net Position	\$ 14,204,295	\$ 16,262,116

Changes in Net Position for the years ended December 31:

	2018	2017
Program Revenues:		
Charges for services	\$ 4,810,684	\$ 4,807,232
General Revenues:		
Real property taxes	4,381,975	4,060,609
Other tax items	198,155	190,110
Use of money and property	93,913	29,704
Sale of property and compensation for loss	76,296	33,187
Other local sources	2,036,387	-0-
Total General Revenue	6,786,726	4,313,610
Total Revenues	11,597,410	9,120,842
Expenses - water supply services	7,506,749	7,360,391
Changes in Net Position	4,090,661	1,760,451
Net Position - Beginning of the Year, as originally reported	16,262,116	14,501,665
Cumulative Effect of Change in Accounting Principle *	(6,148,482)	-0-
Net Position - Beginning of the Year, as restated	10,113,634	14,501,665
Net Position - End of the Year	\$ 14,204,295	\$ 16,262,116

*The District's financial statements presented herein are for the year ended December 31, 2018 and the cumulative effect of applying Governmental Accounting Standard Board Statements ("GASB") No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", is shown as an adjustment to the beginning net position of fiscal year 2018. The condensed financial information for the year ended December 31, 2017 was not restated as the information was not available.

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Current and other assets increased by \$1,441,503, as compared to the prior year. The increase is primarily related to increase in cash. The increase in cash is due to revenues exceeding expenses for 2018.

Capital assets net increase by \$661,830 as compared to prior year. This increase is due to current year additions and donations of \$2,129,367, construction in progress of \$118,232 offset by dispositions at a loss of \$588,843 and depreciation expense of \$996,926. The accompanying Notes to Financial Statements, Note E "Capital Assets" provides additional information.

Deferred outflows of resources of \$643,801 represent contributions to the retirement plan subsequent to the measurement date and actuarial adjustments at the plan level that will be amortized in future years.

Current and other liabilities decreased by \$1,273,382 as compared to the prior year. This decrease is the result of the decrease in amounts due to vendors for goods and services provided by year end, conversion of BANs payable, no funds collected in advance, and reduction in current maturity of bond indebtedness.

Long-term liabilities increased \$4,180,430 as compared to the prior year. This increase is the result of the implementation of GASB 75, adding the additional liability of other post-employment benefits to the Districts books, increase of compensated absences liability, offset by a decrease in the general obligation bonds.

Deferred inflows of resources of \$1,467,663 represents actuarial adjustments at the pension plan level and other postemployment benefits level that will be amortized over future years.

The District's net position as of December 31, 2018 was \$14,204,295, an increase of \$4,090,661 from the prior year excluding the effect of the adoption of GASB 75. Of the District's total net position, \$15,725,670 was a net investment in capital assets, \$6,049,351 was restricted while (\$7,570,726) was in unrestricted net position.

Program revenues were \$4,810,684 in the current year, which increased \$3,452, and were consistent with the prior year.

General revenues were \$6,786,726 in the current year, which was an increase from last year of \$2,473,116. The increased revenues were attributable to other local sources which consist of the donation of a capital asset from the Country Pointe Development project and an increase in real property tax revenues.

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Operating expenses by categories compared to the prior year are as follows:

	2018	2017
Expenses - water supply services:		
Water administration	\$ 1,550,270	\$ 1,735,143
Source of supply, power and pumping	870,093	875,371
Purification	1,584,346	1,526,531
Transmission and distribution	1,396,054	1,677,937
Debt service - interest	520,217	552,319
Loss on disposition of capital assets	588,843	-0-
Depreciation	996,926	993,090
	<u>\$ 7,506,749</u>	<u>\$ 7,360,391</u>

Overall, expenses - water supplies services increased \$146,358 from the prior year. The implementation of GASB 75 contributed to the increase in personnel services. The increase is mainly due to the loss on disposition of capital assets of \$588,843. Additional increases includes water treatment supplies and repairs and maintenance for purification and increase in depreciation expense due to new additions during 2018. These increases were offset by the decrease in mains and service installations costs for transmission and distributions, a decrease in payroll due to employee turnover, a decrease in consulting costs for engineering services for water administration, and the decrease in interest paid.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the governmental funds reported a combined fund balance of \$8,714,601; an increase of \$2,467,132 over the prior year.

General Fund

The general fund is the principal operating fund of the District. For the year, the fund balance increased by \$2,197,873, as revenues and other financing sources (uses) of \$9,654,220, exceeded expenditures of \$7,456,347, compared to a fund balance increase of \$1,569,828 for fiscal 2017. Revenues and other financing sources (uses) increased by \$452,802 over fiscal 2017. The increase was primarily due to an increase in real property taxes (\$321,366) and program revenues (\$65,125).

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund (continued)

Expenditures and other uses decreased by \$175,243 over fiscal 2017 totals. The decrease was primarily due to decreases in transmission and distribution, water administration, and source of supply, power and pumping offset by increases in purification, employee benefits and debt service expenditures. The decrease in transmission and distribution was due to the decrease in service installs, water main repairs and the purchase of meters. The decrease in water administration was due to decrease in professional fees. The decrease in source of supply, power and pumping was due to a reclass of repair expenses to purification. The increase in purification was due to the increase in lime purchases and in part from the reclass noted above repairs and maintenance costs. The increase in employee benefits is due to an increase in health insurance expenditures. The debt service expenditures increased due to the issuance of new debt.

The restricted fund balances increased \$2,102,542 compared to the prior year. This increase is due to board approved funding of reserves and allocation of interest to the reserves.

Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. For the year, the fund balance increase in the amount of \$269,259 resulted from proceeds of debt. The resulting fund balance was \$ -0- as of December 31, 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reported budget and actual in the general fund as follows:

	Original Budget	Final Budget	Actual Amounts	Encum- brances	Variance
Revenues	\$ 8,959,549	\$ 9,148,713	\$ 9,659,321	\$ -0-	\$ 510,608
Other Financing Sources	-0-	-0-	2,895,919	-0-	2,895,919
Subtotal	8,959,549	9,148,713	12,555,240	-0-	3,406,527
Expenditures	8,256,549	8,757,008	7,456,347	35,244	1,265,417
Other Financing Uses	703,000	391,705	2,901,020	-0-	(2,509,315)
Subtotal	8,959,549	9,148,713	10,357,367	35,244	(1,243,898)
Total	\$ -0-	\$ -0-	\$ 2,197,873	\$ (35,244)	\$ 2,162,629

The general fund reported excess of revenues and other financing uses over expenses and other financing sources (uses) this year of \$2,197,873 increasing its fund balance from \$6,516,728 to \$8,714,601. Revenues were over budget due to the District budgeting conservatively for interest earnings, equitable contributions, construction water charges and insurance recoveries.

In the District's original budget, the total appropriations for expenditures and other financing uses equated to estimated revenues and other financing sources. Throughout the year, the District increased the original budget by \$189,164. These increases in appropriations were primarily for purchases made for construction water charges.

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2018, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital asset additions in excess of depreciation and dispositions for the year. A summary of the district's capital assets, net of depreciation at December 31, 2018, and 2017 is as follows:

	2018	2017
Land	\$ 302,792	\$ 302,792
Construction in progress	118,232	-0-
Building and Improvements	10,341,644	10,723,720
Furniture and equipment	507,173	582,394
Infrastructure	18,277,699	17,305,792
Vehicles	63,338	91,773
Software	57,423	-0-
Capital Assets, net	<u>\$ 29,668,301</u>	<u>\$ 29,006,471</u>

The district's additions to capital assets in 2018 totaled \$2,247,599. The majority of the additions were related to infrastructure donated from the Country Pointe Development. The additions to capital assets were offset by net dispositions of \$588,843 and depreciation of \$996,926.

Long-Term Debt

At December 31, 2018, the District authorized total general obligation debt in the amount of \$13,942,631. The bonds were issued for major improvements to the District's infrastructure and facilities. The decrease in outstanding debt resulted from principal payments made during the current year. A summary of the outstanding debt at December 31, 2018 and 2017 is as follows:

Issue Date	Interest Rate	2018	2017
2003	3.00 - 4.50%	\$ 24,706	\$ 49,412
2008	3.50 - 4.125%	-0-	2,399,230
2008 - refunding	2.00 - 5.00%	2,114,646	-0-
2009	2.50 - 5.00%	-0-	273,900
2009	2.50 - 4.00%	87,000	132,000
2010	3.00 - 4.00%	-0-	545,170
2010 - refunding	2.00 - 5.00%	474,055	-0-
2011	2.00 - 5.00%	12,941	25,882
2014	2.00 - 5.00%	200,533	228,618
2014	3.00 - 4.00%	4,393,000	4,765,000
2014	3.25 - 4.00%	6,269,000	6,658,000
2018	3.00 - 4.00%	300,000	-0-
2018	3.00 - 4.00%	66,750	-0-
		<u>\$13,942,631</u>	<u>\$15,077,212</u>

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-Term Debt (continued)

During 2010, the District received authorization from the Town to issue serial bonds in the amount of \$14,334,600 for improvements to the District's infrastructure. However, as of December 31, 2018, the District only needed \$14,200,000 of the original authorization to complete the project. Serial bonds in the amount of \$14,200,000 (including a \$300,000 BAN that was converted into a bond payable in 2018) have been issued to provide funding for the projects.

In addition, during 2018, the Town converted a BAN of \$66,750 into a bond payable related to a 2004 authorization for infrastructure improvements. The project was completed in prior years.

Additional information on the District's debt can be found in Note F "Short-Term Debt" and Note G "Long-Term Liabilities" of the Notes to Financial Statements.

Other Long-Term Liabilities

Included in the District's long-term liabilities are estimated amounts due for compensated absences, total other postemployment benefit obligations and net pension liability-proportionate share. The compensated absences liability is based on employment contracts. The total other postemployment benefit obligations and the net pension liability - proportionate share are based on actuarial valuations.

	2018	2017
Compensated absences payable	\$ 248,531	\$ 205,050
Total other postemployment benefit obligations	9,523,853	4,070,797
Net pension liability - proportionate share	173,561	577,297
	<u>\$ 9,945,945</u>	<u>\$ 4,853,144</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Subsequent Year's Budget

The Board of Commissioners adopted the District's 2019 budget on September 6, 2018. The District expects to maintain the quality level of service to its tax payers and customers as it has historically provided. The 2019 budget of \$9,245,191 represents a \$285,642 increase over the 2018 budget. Partial funding for the budget will be provided by estimated non-property tax revenues of \$4,644,113, which is an increase of \$66,543 (1.45%) from 2018. The real property tax levy of \$4,601,078 will provide the balance of funding for the budget, which is an increase of \$219,099 (5.00%) over 2018.

**PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Water Sales

Plainview Water District derives a majority of its operating revenues from water sales. For water utilities, water revenues are dependent on the amount of rainfall particularly during the summer months. As such, these revenues are unpredictable and very volatile. Water revenues for Plainview Water District, one of the largest commissioner operated districts in the State, can vary significantly from a rainy year to a dry year. Water revenues are budgeted on the conservative side, which is in anticipation of a rainy year. However, actual water revenues can still fall far short of our estimates. The District also believes that such adverse weather conditions can easily recur consecutively over two years or more running. Gallons billed and water revenues for the past five years are as follows:

	Gallons Billed (in millions)	Water Revenue Recognized in the General Fund (in thousands)
2018	1,635	\$ 3,870
2017	1,660	3,780
2016	1,841	3,942
2015	1,834	3,645
2014	1,738	3,384

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Manager at Plainview Water District, 10 Manetto Hill Road, Plainview, New York 11803.

BASIC FINANCIAL STATEMENTS

PLAINVIEW WATER DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
December 31, 2018

Assets

Current assets:

Cash:

Unrestricted

\$ 1,915,709

Restricted

6,049,351

Accounts receivable

979,324

Due from other governments

407,322

Inventory of materials and supplies

242,025

Prepays

191,368

Total Current Assets 9,785,099

Non-current assets:

Non-depreciable capital assets

302,792

Construction in progress

118,232

Depreciable capital assets, net of depreciation

29,247,277

Total Non-Current Assets 29,668,301

Total Assets 39,453,400

Deferred Outflows of Resources

Pensions

643,801

Total Deferred Outflows of Resources 643,801

Liabilities

Current liabilities:

Accounts payable and accrued expenses

346,132

Accrued interest

190,535

Non-current liabilities due within one year:

Compensated absences

41,488

General obligation bonds payable

1,164,443

Total Current Liabilities 1,742,598

Non-current liabilities:

Compensated absences

207,043

General obligation bonds payable

12,778,188

Total other postemployment benefit obligations

9,523,853

Net pension liability - proportionate share

173,561

Total Non-Current Liabilities 22,682,645

Total Liabilities 24,425,243

Deferred Inflows of Resources

Other postemployment benefits

858,064

Pensions

609,599

Total Deferred Inflows of Resources 1,467,663

Net Position

Net investment in capital assets

15,725,670

Restricted

6,049,351

Unrestricted

(7,570,726)

Total Net Position \$ 14,204,295

See notes to financial statements.

PLAINVIEW WATER DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Governmental Activities

Expenses - Water Supply Services

Water administration	\$ 1,550,270
Source of supply, power and pumping	870,093
Purification	1,584,346
Transmission and distribution	1,396,054
Debt service - interest	520,217
Loss on disposition of capital assets	588,843
Depreciation	996,926
	<hr/>
Total Expenses - Water Supply Services	7,506,749

Program Revenues

Charges for services	<hr/> 4,810,684
	<hr/>
Net Program Expense	(2,696,065)

General Revenues

Real property taxes	4,381,975
Other tax items	198,155
Use of money and property	93,913
Sale of property and compensation for loss	76,296
Other local sources	2,036,387
	<hr/>
Total General Revenues	6,786,726
	<hr/>
Change in Net Position	4,090,661

Net Position at Beginning of the Year, as originally reported	16,262,116
Cumulative Effect of Change in Accounting Principle	<hr/> (6,148,482)
Net Position at Beginning of the Year, as restated	<hr/> 10,113,634
	<hr/>
Net Position at End of the Year	\$ <u><u>14,204,295</u></u>

**PLAINVIEW WATER DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018**

	General	Capital Projects	Total
Assets			
Cash:			
Unrestricted	\$ 1,888,222	\$ 27,487	\$ 1,915,709
Restricted	6,049,351		6,049,351
Accounts receivable	979,324		979,324
Due from other governments	407,322		407,322
Inventory of materials and supplies	242,025		242,025
Prepays	191,368		191,368
Total Assets	\$ 9,757,612	\$ 27,487	\$ 9,785,099
Liabilities			
Accounts payable and accrued expenses	\$ 318,645	\$ 27,487	\$ 346,132
Total Liabilities	318,645	27,487	346,132
Deferred Inflows of Resources			
Water rents - unavailable	724,366		724,366
Total Deferred Inflows of Resources	724,366	-0-	724,366
Fund Balances			
Nonspendable	433,393		433,393
Restricted	6,049,351		6,049,351
Assigned	35,244		35,244
Unassigned: fund balance	2,196,613		2,196,613
Total Fund Balances	8,714,601	-0-	8,714,601
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,757,612	\$ 27,487	\$ 9,785,099
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position			
Total Governmental Fund Balances			\$ 8,714,601
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			29,668,301
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			724,366
Deferred outflows of resources related to pensions are included in the statement of net position.			643,801
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:			
Accrued interest		\$ (190,535)	
Compensated absences		(248,531)	
General obligation bonds payable		(13,942,631)	
Total other postemployment benefit obligations		(9,523,853)	
Net pension liability - proportionate share		(173,561)	
			(24,079,111)
Deferred inflows of resources related to pension plans and other postemployment benefits are included in the Statement of Net Position.			(1,467,663)
Net Position of Governmental Activities			\$ 14,204,295

See notes to financial statements.

PLAINVIEW WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	General	Capital Projects	Total
Revenues			
Real property taxes	\$ 4,381,975	\$ -0-	\$ 4,381,975
Other tax items	198,155		198,155
Program revenues	4,793,131		4,793,131
Use of money and property	93,913		93,913
Sale of property and compensation for loss	76,296		76,296
Miscellaneous	115,851		115,851
Total Revenues	9,659,321	-0-	9,659,321
Expenditures			
Home and Community Service - Water Supply Services:			
Water administration	1,180,870	1,013	1,181,883
Source of supply, power and pumping	870,093		870,093
Purification	1,185,723		1,185,723
Transmission and distribution	1,010,695		1,010,695
Employee benefits	1,281,377		1,281,377
Capital outlay		118,232	118,232
Debt service:			
Principal	1,399,382		1,399,382
Interest	528,207		528,207
Total Expenditures	7,456,347	119,245	7,575,592
Other Financing Sources (Uses)			
Refunding bond proceeds	2,588,701		2,588,701
Premiums on refunding	140,267		140,267
Proceeds of debt		366,750	366,750
Bond issuance costs	(21,665)		(21,665)
Debt service - principal - current refunding	(2,690,650)		(2,690,650)
Transfers in		21,754	21,754
Transfers out	(21,754)		(21,754)
Total Other Financing Sources (Uses)	(5,101)	388,504	383,403
Net Change in Fund Balance	2,197,873	269,259	2,467,132
Fund Balance at Beginning of Year	6,516,728	(269,259)	6,247,469
Fund Balance at End of Year	\$ 8,714,601	\$ -0-	\$ 8,714,601
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities			
Net Changes in Fund Balances - Total Governmental Funds			\$ 2,467,132
Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures while in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:			
Capital assets purchases capitalized		\$ 349,098	
In kind donation		1,780,269	
Capital outlay		118,232	
Disposition of equipment		(588,843)	
Depreciation expense		(996,926)	
			661,830
The issuance of long-term debt provides current financial resources, while the repayment of bond principal consumes the current financial resources in the governmental funds:			
Bond proceeds			(366,750)
Payment to refunded bond escrow agent			(2,588,701)
Repayment of bond principal			4,090,032
Some expenses reported in the statement of activities, such as compensated absences, accrued interest, pension and total other postemployment benefit obligations do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:			
Increase in compensated absences		(43,481)	
Decrease in net pension obligation		7,695	
Increase in total other post employment benefit obligations		(162,638)	
Decrease in accrued interest		7,990	
			(190,434)
Expenses in the statement of activities that do not provide current financial resources are not reported as expenses in the funds.			(68,123)
Revenues that are not available to pay for current period expenditures, and are therefore deferred in the funds			85,675
Change in Net Position of Governmental Activities			\$ 4,090,661

See notes to financial statements.

PLAINVIEW WATER DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
December 31, 2018

		Agency Fund
Assets		
Cash		\$ 87,747
	Total Assets	<u>\$ 87,747</u>
Liabilities		
Guarantee and bid deposits		\$ 87,747
	Total Liabilities	<u>\$ 87,747</u>

See notes to financial statements.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies

The Plainview Water District (the "District"), which was established in 1928, is governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the District for terms of three years. The primary function of the District is to provide water service to district residents.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District's more significant accounting policies are described below.

1. Financial Reporting

The Town of Oyster Bay, New York (the "Town") is financially accountable as a result of fiscal dependency for the Plainview Water District. Debt of the District, which is backed by the full faith and credit of the Town, and other fiscal matters result in a fiscal interdependency with the Town. Accordingly, the Plainview Water District has been determined to be a component unit of the Town.

2. Basis of Presentation

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

Government-wide Financial Statements

The government-wide financial statements report information on the District as a whole.

In the government-wide Statement of Net Position, the District's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The District's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of the District's function (home and community service - water supply services), which is otherwise supported by general revenues (property, use and money, sale of property and compensation for loss, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include charges for services, operating and capital grants, to produce the net cost of each program. The net cost is normally covered by general revenues (real property tax, use and money, sale of property and compensation for loss, etc.). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

2. Basis of Presentation (continued)

Fund Financial Statements

The fund financial statements focus on the major funds. The District considers all funds to be major funds.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Accordingly, the District maintains the following funds:

Governmental Funds - Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Government funds are further classified as major funds.

The District reports the following major governmental funds:

General Fund - is the principal operating fund of the District. This fund is used to account for and report all financial resources except those required to be accounted for in other funds.

Capital Projects Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Fiduciary Funds - are used to account for activities in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the District and are not available to be used to finance District operations. The following is the District's fiduciary fund:

Agency Fund - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for guarantee and bid deposits.

3. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies (continued)

3. Measurement Focus/Basis of Accounting (continued)

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Interfund transactions have been eliminated from the government-wide financial statements.

In the fund financial statements, governmental activities use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end except for grant revenue pursuant to a reimbursable grant arrangement which is recorded when eligible expenditures are incurred.

Expenditures are recorded when incurred except that:

- a. Expenditures for prepaid expenses are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
- d. Expenditures for retirement are recognized in the corresponding period to which it relates.

4. Property Taxes and Delinquent Water Bills

Property taxes and delinquent water bills are collected by the Town of Oyster Bay Receiver of Taxes on behalf of the District. The Town of Oyster Bay Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts. Town and County taxes are due in two installments payable on January 1 and July 1 without penalty to February 10 and August 10. The Town remits 100% of the amount of real property tax levied and the delinquent water bills to the District. Responsibility for collection of unpaid taxes is assumed by Nassau County.

5. Accounts Receivable

Accounts receivable include amounts due from customers. Receivables are recorded and revenues recognized as earned in the government-wide financial statements and when available in the fund financial statements. Revenue from unbilled water usage at year end is recognized in the government-wide financial statements. At December 31, 2018, the District considered all remaining accounts receivable to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies (continued)

6. Prepaids

Prepaids represent payments made by the District for which benefits extend beyond a year-end. These items are reported as assets using the consumption method. A current asset for prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that prepaids do not constitute available spendable resources.

7. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances for the District represent primarily the payment of premiums and interest earnings that will be reimbursed subsequent to year end. Interfund transfer balances represent the funding of capital expenditures through general fund appropriations.

8. Due from Other Governments

Amounts due from other governments are for amounts owed to the District by the Town of Oyster Bay and other municipalities.

9. Inventory of Materials and Supplies

The District's inventory consists of expendable supplies and repair parts and is recorded using the consumption method. The cost of inventory is recorded as expenditures/expenses when consumed rather than when purchased. Inventory is valued at cost utilizing the latest invoice price, which approximates the first-in, first-out method.

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

10. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at their acquisition value at the date of donation.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies (continued)

10. Capital Assets (continued)

Depreciation of all exhaustible capital assets and amortization of all finite intangible assets is recorded as an expense in the Statement of Activities, with accumulated depreciation and amortization reflected in the Statement of Net Position. Depreciation or amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Estimated Useful Life</u>
Buildings and improvements	10-50 years
Furniture and equipment	7-10 years
Infrastructure	50 years
Vehicles	10 years
Software	5-10 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. This amount is related to the pension reported in the government-wide Statement of Net Position. This represents the differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on pension plan investments and changes in proportion and differences between the District's contributions and proportionate share of contributions. This amount also includes the District contributions to the pension systems subsequent to the measurement date. See Note G.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Two items are related to pensions and total other postemployment benefit obligations reported in the government-wide Statement of Net Position. They represent the effect of the net change in the District's proportion of the collective net pension liability, the difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and the differences between expected and actual experience in the other postemployment benefits. See Notes G, H and I. The third is the deferred water rents reported in the fund financial statements.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

12. Long-Term Obligations

All long-term obligations are reported as liabilities in the government-wide statements. The long-term obligations consist of general obligation bonds payable, compensated absences, total other postemployment benefit obligations and net pension liability - proportionate share.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds, if any, are reported as other financing sources and payment of principal and interest are reported as expenditures. The liabilities for compensated absences, total other postemployment benefit obligations and net pension liability proportionate share are liquidated through future budgetary appropriations in the general fund.

13. Compensated Absences

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 24 days (with two additional days that can be earned if no sick days are taken over the calendar year) per year, but may accumulate no more than a maximum of 80 days. Upon separation from service other than termination for cause, employees are paid for all unused accumulated vacation. Employees accrue sick leave at the rate of 12 days per year and may accumulate such credits up to a total of 80 days. Upon separation from service, employees are paid for all of their unused accumulated sick leave.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. Compensated absence liability and expenditures are reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirements.

14. Other Benefits

District employees may choose to participate in the District's elective deferred compensation plan established under Internal Revenue Code Section 457.

The District provides health insurance coverage for active employees pursuant to the employee handbook.

15. Other Postemployment Benefits

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially, all of the District's employees may become eligible for these benefits if they reach age 55 and 10 years of service while working for the District. Health care and survivor's benefits are in accordance with New York State Health Insurance Rules and Regulations (administered by the New York State Department of Civil Service), and are provided through the New York State Empire Plan (the "Empire Plan") whose premiums are based on the benefits paid throughout the State during the year.

The District recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. The liability for the total other postemployment benefit obligations is recorded as a long-term liability in the government-wide statements.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies (continued)

16. Insurance

The District insures against liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability not covered by insurance has been incurred and the amount of loss can be reasonably estimated. At December 31, 2018, there are no judgements or claims against the District.

17. Net Position and Fund Equity Classifications

Government-Wide Financial Statements

In government-wide statements equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by any outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use; it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are non-spendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form, not available within a year, or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory of materials and prepaid supplies recorded in the general fund.

Restricted fund balance includes amounts with constraints placed on the use of resources 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 are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. The Board of Commissioners is not empowered to establish local law; accordingly, the District will not have committed fund balance.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies (continued)

17. Net Position and Fund Equity Classifications (continued)

Fund Financial Statements (continued)

Assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has the authority to assign amounts to be used for specific purposes. Assigned fund balances including all remaining amounts (except negative balances) that are not reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. It is also used to report negative fund balances in other governmental funds.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves), the Board of Commissioners will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged. It is the intention of the Board of Commissioners that the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget or Board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to assigned fund balance to the extent that there is an assignment, and then to the unassigned fund balance.

The Board of Commissioners strives to maintain an adequate level of fund balance due to the volatility of revenues.

18. Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

19. Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies (continued)

20. New Pronouncements

The District has adopted all of the current Statements of the Governmental Accounting Standards Board ("GASB") that are applicable. During the year ended December 31, 2018, the District adopted the following:

GASB has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"*, as amended, and No. 57, *"OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB"*. Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, establishes new accounting and financial reporting requirements for OPEB plans. See Note H and Note J for the financial statement impact of the implementation of the Statement.

The District will evaluate the impact these pronouncements may have on its financial statements and will implement them as applicable and when material as follows:

Statement No. 84, *"Fiduciary Activities"*, the objective of which is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018.

Statement No. 87, *"Leases"*, the objective of which is to improve accounting and financial reporting for leases by governments. This Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"*, the objective of which is to improve the information that is disclosed in notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018.

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"*, the objective of which is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

B. Stewardship, Compliance and Accountability

1. Budgetary Data

Budget Policies

The District prepares an annual budget for the general fund, which is approved by the Board of Commissioners.

The budget is then submitted to the Town of Oyster Bay for inclusion in the Town Budget and a public hearing is held thereon. The budget is not subject to referendum. The annual budget lapses at year end and any revisions are adopted by resolution of the Board of Commissioners.

Budget(s) 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 (if any) carried forward from the prior year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general and capital projects funds. Expenditures for such commitments are recorded in the period in which the liability is incurred.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. For the years beginning in 2012 and lasting through at least 2020, no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less); however, local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law.

For the 2019 budget, the District has limited the increase in the real property tax levy to 5%.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

B. Stewardship, Compliance and Accountability (continued)

2. Fund Balance

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted and assigned fund balances. The unassigned fund balance is also shown.

	General Fund	Capital Projects Fund	Total
Nonspendable:			
Inventory	\$ 242,025	\$ -0-	\$ 242,025
Prepays	191,368	-0-	191,368
Total Nonspendable	<u>433,393</u>	<u>-0-</u>	<u>433,393</u>
Restricted for:			
General	4,489,269	-0-	4,489,269
Contaminants	1,287,602	-0-	1,287,602
Infrastructure	272,480	-0-	272,480
Total Restricted	<u>6,049,351</u>	<u>-0-</u>	<u>6,049,351</u>
Assigned to:			
Purchases on order	35,244	-0-	35,244
Total Assigned	<u>35,244</u>	<u>-0-</u>	<u>35,244</u>
Unassigned	<u>2,196,613</u>	<u>-0-</u>	<u>2,196,613</u>
Total Fund Balances	<u>\$ 8,714,601</u>	<u>\$ -0-</u>	<u>\$ 8,714,601</u>

Capital Projects Fund

In accordance with New York State General Municipal Law §6-c, the District has established a "type" capital reserve to finance the cost of improvements to the water distribution system. Expenditures from this reserve require the approval of the Board of Commissioners. The reserve may be funded with budgetary appropriations or revenues not required by law to be paid into any other fund or account.

A summary of activity in the capital projects fund, fund for 2018 is as follows:

Beginning balance	\$ 269,259
Appropriation for capital projects fund	<u>(269,259)</u>
	<u>\$ -0-</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

B. Stewardship, Compliance and Accountability (continued)

2. Fund Balance (continued)

Capital Reserve - General Reserve

In accordance with New York State General Municipal Law §6-c, the District has established a general reserve to finance the water enhancement projects. Expenditures from this reserve require the approval of the Board of Commissioners. The reserve may be funded with budgetary appropriations or revenues not required by law to be paid into any other fund or account. This reserve is accounted for in the general fund.

Beginning balance	\$ 2,382,782
Interest earned on reserved cash	27,634
Transferred from unassigned	<u>2,078,853</u>
	<u>\$ 4,489,269</u>

Capital Reserve - Contaminants Reserve

In accordance with New York State General Municipal Law §6-c, the District has established a contaminants reserve to finance the water enhancement projects. Expenditures from this reserve require the approval of the Board of Commissioners. The reserve may be funded with budgetary appropriations or revenues not required by law to be paid into any other fund or account. This reserve is accounted for in the general fund.

Beginning balance	\$ 1,269,041
Interest earned on reserved cash	<u>18,561</u>
	<u>\$ 1,287,602</u>

Capital Reserve - Infrastructure Reserve

In accordance with New York State General Municipal Law §6-c, the District has established an infrastructure reserve to help finance infrastructure related costs as defined by the District's engineers. This infrastructure reserve is funded with budgetary appropriations or revenues not required by law to be paid into any other fund or account. This reserve is accounted for in the general fund.

Beginning balance	\$ 269,133
Interest earned on reserved cash	<u>3,347</u>
	<u>\$ 272,480</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

B. Stewardship, Compliance and Accountability (continued)

2. Fund Balance (continued)

Capital Reserve - Meter Replacement Reserve

In accordance with New York State General Municipal Law §6-c, the District has established a meter replacement reserve to finance the cost of meter replacement programs. This meter replacement reserve is funded with budgetary appropriations or revenues not required by law to be paid into any other fund or account. This reserve is accounted for in the general fund.

Beginning balance	\$ 25,853
Transferred to unassigned	(25,853)
	<u>\$ -0-</u>

C. Cash and Investments

Custodial Credit Risk - Deposits/Investments - Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

At December 31, 2018, the District's cash book balance was \$7,965,060. This amount is inclusive of unrestricted cash of \$1,915,709 and restricted cash of \$6,049,351. The bank balance was \$8,111,137. Of the bank balance, \$4,346,351 was covered by Federal deposit insurance and \$3,764,786 was covered by collateral held by the District's agent, a third-party financial institution, in the District's name.

Credit Risk - State law limits investments to those authorized by State statutes. The District has a written investment policy.

Interest-rate Risk - Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk - Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5.0% or more in securities of a single issuer.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

C. Cash and Investments (continued)

As of December 31, 2018, the District did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

The General Fund's cash includes an amount of \$6,049,351 which the use of funds is restricted by law or enabling legislation. Accordingly, these balances are reported as restricted cash on the Balance Sheet and Statement of Net Position.

D. Accounts Receivable

Account receivable as of December 31, 2018 was as follows:

Metered water sales, billed	\$ 250,131
Metered water sales, unbilled	724,366
Miscellaneous	4,827
	<u>\$ 979,324</u>

E. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance 1/1/18	Additions	Reductions	Reclassifications	Balance 12/31/18
Capital assets not being depreciated:					
Land	\$ 302,792	\$ -0-	\$ -0-	\$ -0-	\$ 302,792
Construction in progress	-0-	118,232	-0-	-0-	118,232
Total Capital Assets Not Being Depreciated	<u>302,792</u>	<u>118,232</u>	<u>-0-</u>	<u>-0-</u>	<u>421,024</u>
Depreciable capital assets:					
Buildings and improvements	17,253,574	8,549	(4,794)	-0-	17,257,329
Furniture and equipment	3,312,885	34,975	(1,572,598)	(483,026)	1,292,236
Infrastructure	23,939,004	2,026,770	(676,553)	-0-	25,289,221
Vehicles	-0-	-0-	-0-	483,026	483,026
Software	-0-	59,073	-0-	-0-	59,073
Total Depreciable Capital Assets	<u>44,505,463</u>	<u>2,129,367</u>	<u>(2,253,945)</u>	<u>-0-</u>	<u>44,380,885</u>
Accumulated depreciation:					
Buildings and improvements	6,529,854	387,459	(1,628)	-0-	6,915,685
Furniture and equipment	2,638,718	109,476	(1,571,878)	(391,253)	785,063
Infrastructure	6,633,212	469,906	(91,596)	-0-	7,011,522
Vehicles	-0-	28,435	-0-	391,253	419,688
Software	-0-	1,650	-0-	-0-	1,650
Total Accumulated Depreciation	<u>\$ 15,801,784</u>	<u>\$ 996,926</u>	<u>\$ (1,665,102)</u>	<u>\$ -0-</u>	<u>15,133,608</u>
Total Net Depreciable Capital Assets					<u>29,247,277</u>
Total Capital Assets					<u>\$ 29,668,301</u>

The District's management re-evaluated the capital asset classifications and made adjustments where deemed necessary.

Depreciation expense totaled \$996,926 and was charged to home and community services - water supply services.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

E. Capital Assets (continued)

Plainview Water District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of capital assets has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At December 31, 2018, the District has not recorded any such impairment losses.

F. Short-Term Debt

Bond Anticipation Note

A bond anticipation note ("BAN") is used as a temporary means of financing capital expenditures in the capital projects fund. State law requires that a BAN issued for capital purposes be converted to a long-term obligation within five years after the original issue date. The note or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. The liability for the BAN was accounted for in the capital projects fund.

The note activity is summarized as follows:

	Balance 1/1/18	Issued	Redeemed	Balance 12/31/18
BAN - 2010	\$ 300,000	\$ -0-	\$ 300,000	\$ -0-
BAN - 2004	66,750	-0-	66,750	-0-
Bond Anticipation Notes	<u>\$ 366,750</u>	<u>\$ -0-</u>	<u>\$ 366,750</u>	<u>\$ -0-</u>

G. Long-Term Obligations

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

	Balance 1/1/2018, As Restated	Increases	Reductions	Balance 12/31/18	Non-current Liabilities Due Within One Year
General obligation bonds	\$ 15,077,212	\$ 2,955,451	\$ 4,090,032	\$ 13,942,631	\$ 1,164,443
Compensated absences	205,050	143,348	99,867	248,531	41,488
Total other postemployment benefit obligations	10,219,279	675,396	1,370,822	9,523,853	-0-
Net pension liability - proportionate share	577,297	127,227	530,963	173,561	-0-
	<u>\$ 26,078,838</u>	<u>\$ 3,901,422</u>	<u>\$ 6,091,684</u>	<u>\$ 23,888,576</u>	<u>\$ 1,205,931</u>

Compensated Absences - Represents the value of the earned and unused portion of the liability for compensated absences.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

G. Long-Term Obligations (continued)

General Obligation Bonds - The District periodically borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town of Oyster Bay, bear interest at rates ranging from 2.0% to 5.0%, and maturity dates ranging from 2019 to 2033.

Principal and interest payments to maturity of general obligation serial bonds as of December 31, 2018 are as follows:

	Principal	Interest	Total Principal and Interest
Years Ending December 31, 2019	\$ 1,164,443	\$ 489,718	\$ 1,654,161
2020	1,145,582	450,879	1,596,461
2021	1,142,226	411,419	1,553,645
2022	1,185,848	370,854	1,556,702
2023	1,231,605	327,280	1,558,885
2024-2028	6,241,927	967,551	7,209,478
2029-2033	1,831,000	149,789	1,980,789
	<u>\$13,942,631</u>	<u>\$ 3,167,490</u>	<u>\$17,110,121</u>

Interest on long-term debt for the year was composed of:

Interest paid	\$ 519,700
BAN interest paid	8,507
Less: interest accrued in the prior year	198,525
Plus: interest accrued in the current year	<u>190,535</u>
Total expense	<u>\$ 520,217</u>

In 2010, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$14,334,600 for improvements to the Districts infrastructure. However, as of December 31, 2018, the District only needed \$14,200,000 of the original authorization to complete the projects. As of December 31, 2018, the District has issued \$14,200,000 in debt.

Current Refunding of Bonds

On April 11, 2018, the Town of Oyster Bay issued \$2,588,701 in Public Improvement Refunding Bonds on the District's behalf with interest rates ranging from 2.0% to 5.0% and annual maturities through February 2027.

The net proceeds of \$2,707,303 (the par amount of the bonds plus a premium of \$140,267 less underwriter's fees, insurance and other issuance costs of \$21,665) were used to refund outstanding 2008 and 2010 Public Improvement Serial Bonds, with interest rates ranging from 3.00% to 4.125%.

The net proceeds were used to pay \$2,690,650 of outstanding principal and \$16,653 of outstanding interest. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the governmental liabilities portion of the Statement of Net Position.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

G. Long-Term Obligations (continued)

Current Refunding of Bonds (continued)

The current refunding was done in order to reduce debt payments in the short-term. The refunding decreased total debt service payments by \$101,949. The overall transaction resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$51,373 for the District.

Total Other Postemployment Benefit Obligations - Represents the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows.

Net Pension Liability - Proportionate Share - Represents the District's proportionate share of the NYS ERS net pension liability.

H. Retirement System

Plan Description and Benefits Provided

The District participates in the New York State Employees' Retirement System ("System"). This is a cost-sharing multiple-employer retirement system. 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 (the "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 serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). 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 District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit, there is no minimum service requirement. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2, is 55 and 62, respectively.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

H. Retirement System (continued)

Plan Description and Benefits Provided (continued)

Tiers 1 and 2 (continued)

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3 and Tier 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and Tier 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and Tier 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tiers 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 members is age 63 for ERS.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

H. Retirement System (continued)

Plan Description and Benefits Provided (continued)

Tier 6 (continued)

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any workers' compensation benefits received. The benefit for eligible Tiers 3, 4 and 5 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (1) all pensioners who have attained age 62 and have been retired for five years; (2) all pensioners who have attained age 55 and have been retired for ten years; (3) all disability pensioners, regardless of age, who have been retired for five years; (4) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (5) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual consumer price index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

H. Retirement System (continued)

Contributions

Generally, Tiers 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and Tier 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and Tier 6 members are required to contribute for all years of service. Under the authority of the New York State Retirement and Social Security Law, 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.

The contribution paid during the current year was equal to 100% of the required payment. The contractually required contribution for the year ended December 31, 2018 was \$218,624.

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

At December 31, 2018, the District reported a liability of \$173,561 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined.

This information was provided by the ERS System in reports provided to the District.

	ERS
Net pension liability	\$ 173,561
District's portion of the Plan's total net pension liability	0.0053777%
Change in allocation of the System's total net pension liability since the prior measurement date	(0.0007662)

There was no significant change in the District's portion of the Plan's total net pension liability from March 31, 2017 to March 31, 2018.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

H. Retirement System (continued)

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

For the year ended December 31, 2018, the District's recognized pension expense of \$226,317. At December 31, 2018, the District's reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61,904	\$ 51,155
Changes of assumptions	115,085	
Net difference between projected and actual earnings on pension plan investments	252,084	497,588
Changes in proportion and differences between the District's contributions and proportionate share of contributions	60,271	60,856
District's contribution subsequent to the measurement date	154,457	
Total	<u>\$ 643,801</u>	<u>\$ 609,599</u>

The District's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31, 2019	\$ 38,256
2020	26,946
2021	(127,479)
2022	(57,978)
	<u>\$ (120,255)</u>

Actuarial Assumptions

The total pension liability as of the measurement date of March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

H. Retirement System (continued)

Actuarial Assumptions (continued)

The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2018
Actuarial valuation date	April 1, 2017
Investment rate of return (net of investment expense)	7.0%
Salary scale	3.8%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Cost of living adjustment	1.3%

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

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015.

The long-term 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 each the target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0%	4.55%
International equity	14.0%	6.35%
Private equity	10.0%	7.50%
Real estate	10.0%	5.55%
Absolute return strategies	2.0%	3.75%
Opportunistic portfolio	3.0%	5.68%
Real assets	3.0%	5.29%
Bonds and mortgages	17.0%	1.31%
Cash	1.0%	-0.25%
Inflation indexed bonds	4.0%	1.25%
	<u>100.0%</u>	

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

H. Retirement System (continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the System. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability (asset)	\$ 1,313,210	\$ 173,561	\$ (790,536)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers participating in the System as of March 31, 2018 were as follows (in thousands):

	ERS
Employers' total pension liability	\$ 183,400,590
Plan fiduciary net position	(180,173,145)
Employers' net pension asset/(liability)	\$ 3,227,445
Ratio of plan fiduciary net position to the Employers' total pension liability	98.24%

I. Other Postemployment Benefits than Pensions (OPEB)

The District established a single-employer defined benefit OPEB plan per its contracts with employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

I. Other Postemployment Benefits than Pensions (OPEB) (continued)

Benefits Provided

Medical and dental coverage, including prescription drugs as part of the medical plan, is offered to retirees on a fully insured basis through the New York State Health Insurance Program (NYSHIP, the Empire Core Plus Plan and CIGNA Dental Insurance). Retirement is available, if the employee has obtained the age of 55 and completed 10 years of service with Plainview Water District. The District will also reimburse the full premium costs for Medicare part B payments. This contract will be renegotiated at various times in the future.

The District will pay 75% of the cost to continue coverage for the non-remarried spouse and dependents of an active employee for three years after that date of death and one year after the date of death for a retiree. The District shall assume the full cost of premiums for members hired prior to July 6, 2011. For members hired on or after July 6, 2011, retirees pay 10% of the premium.

The District pays full coverage for retiree medical and dental insurance.

Employees Covered by Benefit Terms

The number of participants as of January 1, 2017, the effective date of the OPEB valuation, is as follows:

	<u>Participants</u>
Active employees	17
Inactive employees or beneficiaries currently receiving benefit payments	<u>15</u>
Total	<u>32</u>

There have been no significant changes in the number of participants or the type of coverage since that date.

Total OPEB Liability

The District's total OPEB liability of \$9,523,853 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2017, with update procedures used to rollforward the OPEB liability to the measurement date.

Funding Policy

The District currently pays for other postemployment benefits on a pay-as-you-go basis.

Actuarial Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

I. Other Postemployment Benefits than Pensions (OPEB) (continued)

Actuarial Assumptions and Other Inputs (continued)

The total OPEB liability in the January 1, 2017 valuation was determined using the following actuarial assumptions and other inputs:

Salary increases	2.50%
Discount rate	4.10%
Healthcare cost trend rates	9.0% in 2017, grading down 1.0% per annum to an ultimate rate of 5.0% in years 2021 and later

The discount rate was based on the Bond Buyer's 20 Bond Index as of January 1, 2018.

Mortality rates from RPH-2014 Total Dataset mortality table projected fully generationally using projection scale MP-2017.

The decrement tables used for this valuation are based on the New York State Employees' Retirement System ("ERS"). The current valuation reflects tables released in 2015 for ERS.

In the January 1, 2017 actuarial valuation, the liability was computed using the entry age normal method. Under this method, the Actuarial Present Value of Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s).

Other changes impacting the valuation were due to updated mortality tables to reflect an updated projection scale. The healthcare cost trend rate was reset to 8.0% in 2017, grading down 1.0% per annum to an ultimate rate of 7.0% in years 2021 and later.

Changes in the Total OPEB Liability

The following table shows the components of the District's total other postemployment benefit obligations:

	<u>Total OPEB Liability</u>
Balance at December 31, 2017, as restated	\$ 10,219,279
Changes for the year:	
Service cost	318,387
Interest	357,009
Changes in benefit terms	-0-
Differences between expected and actual experience	-0-
Changes of assumptions or other inputs	(1,049,170)
Benefit payments	(321,652)
Net Changes	<u>(695,426)</u>
Balance at December 31, 2018	<u>\$ 9,523,853</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

I. Other Postemployment Benefits than Pensions (OPEB) (continued)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	One Percent Decrease (3.10%)	Current Discount Rate (4.10%)	One Percent Increase (5.10%)
Total OPEB liability	\$ 11,182,268	\$ 9,523,853	\$ 8,211,845

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current healthcare cost trend rates:

	One Percent Decrease (7.00% to 4.00%)	Healthcare Cost Trend Rates (8.00% to 5.00%)	One Percent Increase (9.00% to 6.00%)
Total OPEB liability	\$ 8,129,893	\$ 9,523,853	\$ 11,330,310

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

For the year ended December 31, 2018, the District recognized OPEB expense of \$484,290. At December 31, 2018, the District reported deferred outflows or inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -0-	\$ (858,064)
Total	\$ -0-	\$ (858,064)

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

For the years ending December 31, 2019	\$ (191,106)
2020	(191,106)
2021	(191,106)
2022	(191,106)
2023	(93,640)
	<u>\$ (858,064)</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

J. Interfund Receivables, Payables, and Transfers

For the year ended December 31, 2018, transfers were used to move General Fund resources to the Capital Projects Fund for capital improvements. Transfers from the Capital Projects Fund to the General Fund represent residual amounts for completed closed out projects that were originally financed with bond proceeds or operating transfers from the General Fund.

The composition of interfund transfers for the year ended December 31, 2018 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 166,951	\$ 188,705
Capital Projects Fund	<u>(188,705)</u>	<u>(166,951)</u>
Total	<u>\$ (21,754)</u>	<u>\$ 21,754</u>

K. Commitments and Contingencies

Litigation

The District is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the District.

Capital Improvements

The District is committed to the long-term maintenance of the water system and plans capital improvements on a regular basis. At December 31, 2018, the District had contracts and other commitments outstanding related to capital projects as follows:

Projects Financed from General Fund Appropriations

Plant 4 Nitrate and Perchlorate ISEP System	\$ 32,204
VOC Treatment at Plant 1	25,000
Well 4-2 Rehabilitation	<u>61,028</u>
Total Capital Projects	<u>\$ 118,232</u>

Encumbrances

At December 31, 2018, the District had the following amounts:

Administration	\$ 24,835
Purification	7,338
Transmission and distribution	<u>3,071</u>
	<u>\$ 35,244</u>

**PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

K. Commitments and Contingencies (continued)

Operating Leases

The District leases various equipment under non-cancelable operating leases. Rental expense for the year was \$3,889. The future minimum operating lease payments are as follows:

Years Ending December 31, 2019	\$	3,889
2020		3,889
2021		3,889
2022		3,565
	\$	<u>15,232</u>

L. Changes in Accounting Principle

For the year ended December 31, 2018, the District implemented GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. The implementation of the Statement resulted in the retroactive reporting of the total other postemployment benefits ("OPEB") liability and the reporting of current year OPEB expenses in the government-wide financial statements.

The net position has been restated as of December 31, 2017 as follows:

Net Position Beginning of Year, as reported	\$	16,262,116
Adjustment for GASB 75		<u>(6,148,482)</u>
Net Position Beginning of Year, as restated	\$	<u>10,113,634</u>

M. Country Pointe Development

The District is in agreement with Beechwood Plainview Old Bethpage LLC about the Country Pointe Development that all required infrastructure for the development of the water main will be gifted to the District upon completion of each phase. During 2018, the project reached its first phase of completion. The infrastructure in place then was gifted to the District and included in capital assets in the amount of \$1,780,269. In addition, during 2018 the developers paid \$100,000 to the District outside of the standard costs for the additional administrative burden of the project. Both are included in the other local sources revenue on the Statement of Activities. Materials purchased from the District during the regular course of business for the project amounted to \$333,960 and are included in program revenue.

N. Subsequent Event

Subsequent events have been evaluated through June 27, 2019, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Notes to Required Supplementary Information

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made. The capital project fund is budgeted on a project basis.

PLAINVIEW WATER DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Encumbrances	Variance Positive (Negative)
Revenues					
Real property taxes	\$ 4,381,979	\$ 4,381,979	\$ 4,381,975	\$ -0-	\$ (4)
Other real property tax items	150,000	150,000	198,155	-0-	48,155
Departmental income	4,411,070	4,597,252	4,793,131	-0-	195,879
Use of money and property	10,000	10,000	93,913	-0-	83,913
Sale of property and compensation for loss	6,000	9,482	76,296	-0-	66,814
Miscellaneous local sources	500	-0-	115,851	-0-	115,851
Total Revenues	8,959,549	9,148,713	9,659,321	-0-	510,608
Expenditures					
Home and Community Service - Water Supply:					
Administration	1,368,199	1,424,699	1,180,870	24,835	218,994
Source of supply, power and pumping	940,000	958,000	870,093	-0-	87,907
Purification	1,322,960	1,529,005	1,185,723	7,338	335,944
Transmission and distribution	1,324,257	1,430,171	1,010,695	3,071	416,405
Employee benefits	1,281,850	1,395,850	1,281,377	-0-	114,473
Debt service	2,019,283	2,019,283	1,927,589	-0-	91,694
Total Expenditures	8,256,549	8,757,008	7,456,347	35,244	1,265,417
Other Financing Uses					
Premiums on refunding	-0-	-0-	140,267	-0-	(140,267)
Refunding bond proceeds	-0-	-0-	2,588,701	-0-	(2,588,701)
Bond issuance costs	-0-	-0-	(21,665)	-0-	21,665
Debt service - principal - current refunding	-0-	-0-	(2,690,650)	-0-	2,690,650
Interfund transfers in	-0-	-0-	166,951	-0-	(166,951)
Interfund transfers out	(703,000)	(391,705)	(188,705)	-0-	(203,000)
Total Other Financing Uses	(703,000)	(391,705)	(5,101)	-0-	(386,604)
Net Change in Fund Balance	\$ -0-	\$ -0-	2,197,873	\$ (35,244)	\$ 2,162,629
Fund Balance at Beginning of Year			6,516,728		
Fund Balance at End of Year			\$ 8,714,601		

PLAINVIEW WATER DISTRICT
GENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues				
Real Property Taxes	\$ 4,381,979	\$ 4,381,979	\$ 4,381,975	\$ (4)
Other Real Property Taxes				
Payment in lieu of taxes	150,000	150,000	198,155	48,155
Departmental Income				
Metered water sales	4,063,000	4,063,000	3,866,025	(196,975)
Hydrant fees	-0-	-0-	168,208	168,208
Other hydrant rentals	113,670	113,670	113,670	-0-
Sprinkler fees	124,400	124,400	122,200	(2,200)
Miscellaneous charges	45,000	45,500	84,663	39,163
Penalties on water sales	35,000	35,000	68,270	33,270
Construction water charges	30,000	215,682	370,095	154,413
Total Departmental Income	4,411,070	4,597,252	4,793,131	195,879
Use of Money and Property				
Interest earnings	10,000	10,000	93,913	83,913
Total Use of Money and Property	10,000	10,000	93,913	83,913
Sale of Property and Compensation for Loss				
Sale of water supplies	1,000	4,482	6,937	2,455
Insurance recoveries	-0-	-0-	68,236	68,236
Sale of equipment	4,000	4,000	-0-	(4,000)
Sales of scrap and excess materials	1,000	1,000	1,123	123
Total Sale of Property and Compensation for Loss	6,000	9,482	76,296	66,814
Other Local Sources				
Refund of prior year expense	-0-	-0-	15,851	15,851
Equitable contribution	-0-	-0-	100,000	100,000
Other unclassified revenue	500	-0-	-0-	-0-
Total Other Local Sources	500	-0-	115,851	115,851
Total Revenues	8,959,549	9,148,713	9,659,321	510,608
Other Financing Sources				
Premiums on refunding	-0-	-0-	140,267	140,267
Refunding bond proceeds	-0-	-0-	2,588,701	2,588,701
Interfund transfers in	-0-	-0-	166,951	166,951
Total Other Financing Sources	-0-	-0-	2,895,919	2,895,919
Total Revenues	8,959,549	9,148,713	\$ 12,555,240	\$ 3,406,527
Appropriated Reserves	-0-	-0-		
Appropriated Fund Balance	-0-	-0-		
Total Revenues, Other Financing Sources and Appropriated Fund Balance	\$ 8,959,549	\$ 9,148,713		

PLAINVIEW WATER DISTRICT
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Encumbrances	Variance Positive (Negative)
Expenditures					
Administration					
Office salaries	\$ 281,639	\$ 319,539	\$ 310,750	\$ -0-	\$ 8,789
Superintendent salaries	150,000	150,000	145,967	-0-	4,033
Commissioners fees	68,000	73,600	73,200	-0-	400
Utilities - telephone	50,700	50,700	39,300	-0-	11,400
Utilities - light & heat	12,000	-0-	-0-	-0-	-0-
Computer equipment	35,500	115,500	77,131	22,467	15,902
Office expense	72,000	73,000	46,591	168	26,241
Postage	47,500	47,500	44,204	-0-	3,296
Professional fees	404,000	366,500	292,926	2,200	71,374
Insurance	120,000	120,000	95,589	-0-	24,411
Notices and advertising	250	250	-0-	-0-	250
Conferences and dues expenses	37,000	36,100	21,853	-0-	14,247
Election expenses	3,000	3,900	3,162	-0-	738
Building maintenance	81,000	62,500	28,107	-0-	34,393
MTA tax	5,610	5,610	2,090	-0-	3,520
Total Administration	1,368,199	1,424,699	1,180,870	24,835	218,994
Source of Supply, Power and Pumping					
Diesel and natural gas	40,000	40,000	32,515	-0-	7,485
Electricity	900,000	918,000	837,578	-0-	80,422
Total Source of Supply, Power & Pumping	940,000	958,000	870,093	-0-	87,907
Purification					
Salaries	457,710	527,710	502,721	-0-	24,989
C.T.&A - Lime	50,000	165,000	127,662	3,586	33,752
C.T.&A - Chlorine	50,000	50,000	41,430	-0-	8,570
C.T.&A - Analysis	140,000	149,000	120,943	445	27,612
C.T.&A - G.A.C.	135,000	111,000	95,714	-0-	15,286
Charts	500	-0-	-0-	-0-	-0-
Oil and grease	250	-0-	-0-	-0-	-0-
Filters	3,500	5,500	4,897	-0-	603
Tools and supplies	3,500	16,300	10,499	-0-	5,801
Repairs	410,500	462,245	255,013	-0-	207,232
Ground maintenance	72,000	42,250	26,844	3,307	12,099
Total Purification	1,322,960	1,529,005	1,185,723	7,338	335,944
Transmission and Distribution					
Salaries	692,757	582,757	423,833	-0-	158,924
Road restoration	80,000	78,000	72,316	-0-	5,684
Mains and hydrants	198,750	219,250	191,385	1,682	26,183
Purchase of hydrants	7,500	7,500	4,063	-0-	3,437
Valve Repair	9,000	47,500	44,823	-0-	2,677
Service installs	20,000	25,000	23,821	-0-	1,179
Auto expense	159,750	125,500	46,463	1,389	77,648
Uniforms	2,500	7,500	7,095	-0-	405
Tools and equipment	26,000	22,000	7,791	-0-	14,209
Purchase of meters	128,000	315,164	189,105	-0-	126,059
Total Transmission and Distribution	1,324,257	1,430,171	1,010,695	3,071	416,405

(continued)

PLAINVIEW WATER DISTRICT
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Encumbrances	Variance Positive (Negative)
Employee Benefits					
NYS employees' retirement system	\$ 270,617	\$ 270,617	\$ 218,623	\$ -0-	\$ 51,994
Social security	126,233	126,233	106,397	-0-	19,836
Workers' compensation insurance	110,000	110,000	93,435	-0-	16,565
Unemployment insurance	5,000	5,000	1,055	-0-	3,945
Disability insurance	1,000	1,000	-0-	-0-	1,000
NYS health insurance plan	585,000	695,000	688,400	-0-	6,600
Dental plan	100,000	89,500	84,674	-0-	4,826
Optical plan	20,000	24,000	22,744	-0-	1,256
Life insurance premiums	9,000	9,000	4,745	-0-	4,255
Medicare reimbursements	20,000	30,500	30,298	-0-	202
Supplemental insurance	35,000	35,000	31,006	-0-	3,994
Total Employee Benefits	1,281,850	1,395,850	1,281,377	-0-	114,473
Debt Service					
Serial bonds - principal	1,429,382	1,429,382	1,399,382	-0-	30,000
Serial bonds - interest	539,901	539,901	519,700	-0-	20,201
Bond anticipation note - principal	20,000	20,000	8,507	-0-	11,493
Bond anticipation note - interest	30,000	30,000	-0-	-0-	30,000
Total Debt Service	2,019,283	2,019,283	1,927,589	-0-	91,694
Total Expenditures	8,256,549	8,757,008	7,456,347	35,244	1,265,417
Other Financing Uses					
Bond issuance costs	-0-	-0-	21,665	-0-	(21,665)
Debt service - principal - current refunding	-0-	-0-	2,690,650	-0-	(2,690,650)
Interfund transfers out	703,000	391,705	188,705	-0-	203,000
Total Other Financing Uses	703,000	391,705	2,901,020	-0-	(2,509,315)
Total Expenditures and Other Financing Uses	\$ 8,959,549	\$ 9,148,713	\$ 10,357,367	\$ 35,244	\$ (1,243,898)

PLAINVIEW WATER DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS AND RELATED RATIOS
December 31, 2018

Period	Total OPEB Liability - Beginning of the Period	Service Cost	Interest on Total OPEB Liability	Differences Between Expected and Actual Experience	Changes in Benefit Terms	Changes of Assumptions or Other Inputs	Benefit Payments	Total OPEB Liability - End of the Period	Covered-Employee Payroll	Total OPEB Liability as a Percentage of Covered-Employee Payroll
January 1, 2018 - December 31, 2018	\$ 10,219,279	\$ 318,387	\$ 357,009	\$ -0-	\$ -0-	\$ (1,049,170)	\$ (321,652)	\$ 9,523,853	\$ 1,263,417	753.82%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Changes of benefit terms.

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2018	4.10%
2017	3.44%

Change in Actuarial Cost Method

The District adopted GASB Statement No. 75 in the year-ended December 31, 2018 and continues to use the entry age normal as a percentage of payroll, the prescribed method under GASB 75.

PLAINVIEW WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2018

NYSERS	2018	2017	2016	2015
District's proportion of the net pension liability	0.0053777%	0.0061439%	0.0071261%	0.0074200%
District's proportionate share of the net pension liability	\$ 173,561	\$ 577,297	\$ 1,143,753	\$ 250,664
District's covered payroll	\$ 1,440,430	\$ 1,630,317	\$ 1,745,196	\$ 1,809,515
District's proportionate share of the net pension liability as a percentage of its covered payroll	12.05%	35.41%	65.54%	13.85%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	98.24%	94.70%	90.68%	97.95%

PLAINVIEW WATER DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
December 31, 2018

	NYSERS									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 218,624	\$ 261,091	\$ 285,653	\$ 332,855	\$ 375,817	\$ 361,418	\$ 282,268	\$ 228,034	\$ 150,296	\$ 78,237
Contributions in relation to the contractually required contribution	218,624	261,091	285,653	332,855	375,817	361,418	282,268	228,034	150,296	78,237
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered payroll	\$ 1,440,430	\$ 1,523,888	\$ 1,628,509	\$ 1,758,650	\$ 1,804,640	\$ 1,837,861	\$ 1,661,343	\$ 1,579,987	\$ 1,477,822	\$ 1,305,567
Contributions as a percentage of covered payroll	15.18%	17.13%	17.54%	18.93%	20.83%	19.67%	16.99%	14.43%	10.17%	5.99%

OTHER SUPPLEMENTARY INFORMATION

PLAINVIEW WATER DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT EXPENDITURES
Year Ended December 31, 2018

Project Title	Budget 12/31/2018	Expenditures		Unexpended Balance	Method of Financing		Unexpended Balance
		Prior Years	Current Years		Local Sources	Total	
Plant 4 Nitrate and Perchlorate ISEP System	\$ 32,204	-0-	\$ 32,204	\$ -0-	\$ 32,204	\$ 32,204	\$ -0-
VOC Treatment at Plant 1	25,000	-0-	25,000	-0-	25,000	25,000	-0-
Well 4-2 Rehabilitation	100,000	-0-	61,028	38,972	61,028	61,028	38,972
Total Capital Projects	\$ 157,204	-0-	\$ 118,232	\$ 38,972	\$ 118,232	\$ 118,232	38,972
Less: Revenues Not Realized							
							(38,972)
Fund Balance							
							\$ -0-