



ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2020

PLAINVIEW WATER DISTRICT
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VINCENT D. CULLEN, CPA
(1950 – 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Plainview Water District
Plainview, New York

We have audited the accompanying financial statements of the governmental activities and each major fund of the Plainview Water District (District), a component unit of the Town of Oyster Bay, New York, as of and for the year ended December 31, 2020, and the related notes to 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Plainview Water District as of December 31, 2020 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of the District's proportionate share of the net pension liability, schedule of District pension contributions and schedule of changes in the District's total OPEB liability and related ratios on pages 3 through 15 and 45 through 50, respectively, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plainview Water District's basic financial statements. The other supplementary information on page 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Cullen & Danowski, LLP

June 21, 2021

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Plainview Water District (District) annual financial report presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ended December 31, 2020 in comparison with the year ended December 31, 2019, with emphasis on the current year. This information should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

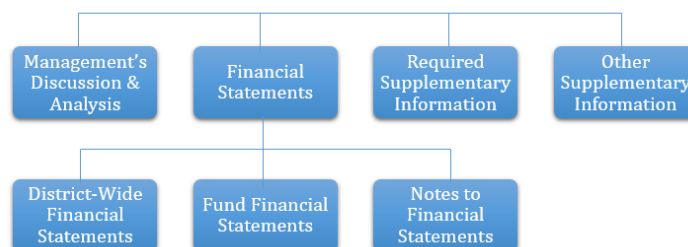
1. FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020 fiscal year are as follows:

- The District's total net position, as reflected in the district-wide financial statements, was \$25,241,431 at December 31, 2020. This balance represents an increase of \$6,736,608 (36.40%) over the prior year. This was due to an excess of revenues over expenses using the economic resources measurement focus and accrual basis of accounting.
- The District's general fund-fund balance, as reflected in the fund financial statements, was \$9,129,857 at December 31, 2020. This balance represents a \$3,019,818 increase (49.42%) over the prior year due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting as follows:
 - Nonspendable fund balance increased by \$13,918, which represents the changes in inventory and prepaids.
 - Restricted fund balances increased by \$317,127, as a result of funding the capital reserve and interest earnings.
 - Assigned fund balances increased by \$3,483,349 primarily due to the District assigning a portion of fund balance to fund future costs related to emerging contaminants.
 - Unassigned fund balance decreased by \$794,576 to \$2,376,396.
- In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4 and 7, to treat for 1,4 Dioxane. As of December 31, 2020, the District issued \$19,000,000 in bond anticipation notes through the Town and \$11,093,420 remains as unissued. As of December 31, 2020, the District has expended 21.75% of these authorizations and the construction is ongoing.
- The District's 2020 property tax levy of \$5,199,218 was a 13.0% increase over the 2019 tax levy, which exceeded the tax cap of 2.91% and was approved by the Board of Commissioners. The increase in the tax levy was primarily due to increases in operating and maintenance costs related to the newly implemented Advanced Oxidation Process (AOP) treatment to remove 1,4 Dioxane.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (MD&A), the financial statements, required supplementary information, and other supplementary information. The financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:



PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported as governmental funds.

Governmental Funds

Governmental funds statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, claims and judgments, retainage, compensated absences, pension costs, and other postemployment benefits, which are recognized as expenditures to the extent the related liabilities mature each period.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, the reader may better

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds: general fund and capital projects fund, both of which are considered to be major funds and are presented separately in the fund financial statements.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased by \$6,736,608 between fiscal year December 31, 2020 and 2019. The increase is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets				
Current and other assets	\$ 24,114,637	\$ 13,108,460	\$ 11,006,177	83.96 %
Capital assets, net	44,778,060	33,638,271	11,139,789	33.12 %
Total Assets	68,892,697	46,746,731	22,145,966	47.37 %
Deferred Outflows of Resources	2,710,809	1,742,568	968,241	55.56 %
Liabilities				
Current and other liabilities	1,614,297	4,601,645	(2,987,348)	(64.92)%
Long-term liabilities	30,895,038	13,002,489	17,892,549	137.61 %
Net pension liability - proportionate share	1,167,730	378,259	789,471	208.71 %
Total OPEB liability	10,921,855	9,576,384	1,345,471	14.05 %
Total Liabilities	44,598,920	27,558,777	17,040,143	61.83 %
Deferred Inflows of Resources	1,763,155	2,425,699	(662,544)	(27.31)%
Net Position				
Net investment in capital assets	26,221,959	18,966,708	7,255,251	38.25 %
Restricted	4,051,878	7,252,437	(3,200,559)	(44.13)%
Unrestricted (deficit)	(5,032,406)	(7,714,322)	2,681,916	(34.77)%
Total Net Position	<u>\$ 25,241,431</u>	<u>\$ 18,504,823</u>	<u>\$ 6,736,608</u>	36.40 %

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The increase in current and other assets is primarily related to increases in amounts due from New York State and amounts due from the Town of Oyster Bay. These receivables are related to the funding of capital projects, as the Town is holding the net cash proceeds from the issuance of the BANs, and were offset by a decrease in cash.

The increase in capital assets, net is due to current year additions exceeding depreciation expense. The accompanying Notes to Financial Statements, Note 8 "Capital Assets" provides additional information.

Deferred outflows of resources represents contributions to the pension plan subsequent to the measurement date and actuarial adjustments to the pension and OPEB plans that will be amortized in future years.

The decrease in current and other liabilities is primarily due to decreases in accounts payable and due to other governments, both of which are related to capital project activity. These decreases were offset by an increase in retainage payable, which is also related to capital project activity, and accrued interest on BANs.

The increase in long-term liabilities is primarily due to the issuance of long-term bond anticipation notes, net of the repayment of the current maturity of bond indebtedness.

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's net pension liability at the measurement date of the respective year. The accompanying Notes to Financial Statements, Note 11 "Pension Plan – New York State", provides additional information.

The total other postemployment benefits (OPEB) liability increased over the prior year, based on the actuarial valuation for the plan, which included a decrease in the discount rate in the current year. The accompanying Notes to Financial Statements, Note 13 "Postemployment Healthcare Benefits" provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets, relates to the investment in capital assets at cost such as land; construction in progress; buildings and improvements; furniture and equipment; and infrastructure, net of accumulated depreciation and related outstanding debt. This balance as of December 31, 2020, is computed as follows:

	Increase (Decrease)
Capital assets, net	\$ 44,778,060
Bond anticipation notes payable	(19,000,000)
Bonds payable	(11,632,606)
Unspent debt proceeds	12,455,871
Retainage payable	(379,366)
	<u>\$ 26,221,959</u>

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The restricted component of net position relates to the District's reserves for capital improvements. This balance decreased from the prior year due to the use of reserves to fund capital asset additions, offset by the funding of reserves and the related interest allocation.

The unrestricted deficit component of net position relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in the accompanying financial statements. A summary of this statement for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019	Increase (Decrease)	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 4,572,685	\$ 4,742,561	\$ (169,876)	(3.58)%
Operating grants	2,634		2,634	100.00 %
Capital grants	2,926,878	1,206,598	1,720,280	142.57 %
General revenues				
Real property taxes	5,199,180	4,601,054	598,126	13.00 %
Other tax items	205,874	201,654	4,220	2.09 %
Use of money and property	143,511	198,270	(54,759)	(27.62)%
Other	1,833,408	84,329	1,749,079	2074.11 %
Total Revenues	<u>14,884,170</u>	<u>11,034,466</u>	<u>3,849,704</u>	34.89 %
Expenses				
Program expenses				
Water administration	2,668,806	1,617,729	1,051,077	64.97 %
Source of supply, power and pumping	1,023,980	910,845	113,135	12.42 %
Purification	1,714,980	1,451,578	263,402	18.15 %
Transmission and distribution	1,031,821	1,275,761	(243,940)	(19.12)%
Debt service - interest	688,777	475,474	213,303	44.86 %
Depreciation	1,019,198	1,002,551	16,647	1.66 %
Total Expenses	<u>8,147,562</u>	<u>6,733,938</u>	<u>1,413,624</u>	20.99 %
Total Change in Net Position	<u>\$ 6,736,608</u>	<u>\$ 4,300,528</u>	<u>\$ 2,436,080</u>	56.65 %

The District's net position increased by \$6,736,608 and \$4,300,528 for the years ended December 31, 2020 and 2019, respectively.

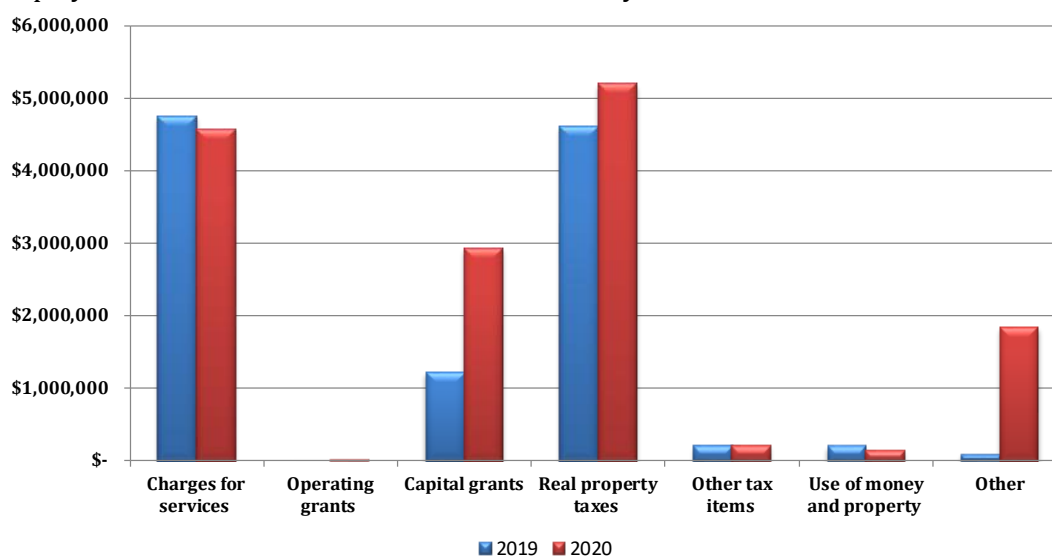
PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The net increase in total revenues in 2020, as compared to 2019, was \$3,849,704, as shown above. The majority of this increase was due to increases in capital grants, real property taxes and other revenues. Capital grants consists of revenue recognized from New York State grants. The grants are providing partial funding for the volatile organic compound (VOC) treatment at Plant 1, AOP treatment at Plant 2, and AOP Pilot Study Plant 7 capital projects. The increase in real property taxes was in accordance with the 2020 budget, which was increased in anticipation of increases in debt service costs and operating costs related to the implementation of AOP treatment. The increase in other revenue is primarily due to the acquisition value of donated infrastructure assets. These increases were offset by a decrease in charges for services, primarily due to a decrease in construction water charges.

The District's expenses for the year increased by \$1,413,624 or 20.99%. The majority of the increase was within water administration, source of supply, power and pumping, purification and debt service - interest. The increase in water administration is primarily due to engineering costs associated with AOP pilot testing. The increase in source of supply, power and pumping is due to increases in electricity costs as a result of the AOP systems being operational. The increase in purification is mainly due to increase in water analysis testing and incurring additional repair costs. The increase in debt service - interest is due to interest accrued on the bond anticipation notes.

As graphically portrayed below, the District primarily relies on water use charges and real property taxes to support government operations. Collectively, they provided 65.65% and 84.68% of the District's revenues in fiscal years 2020 and 2019, respectively.

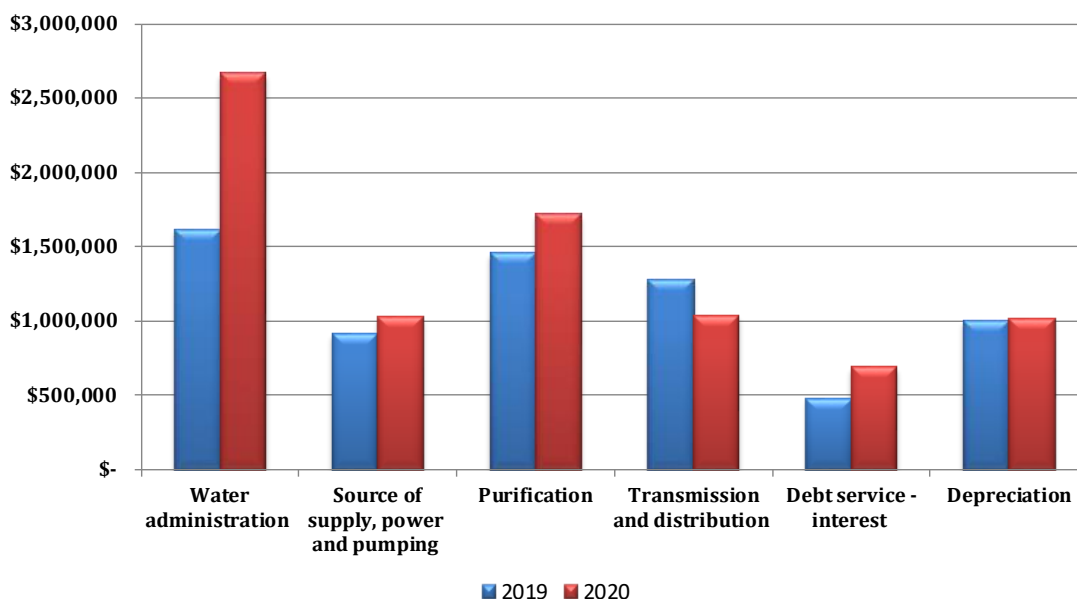
A graphic display of the distribution of revenues for the two years follows:



	Charges for services	Operating grants	Capital grants	Real property taxes	Other tax items	Use of money and property	Other
2019	42.98%	0.00%	10.93%	41.70%	1.83%	1.80%	0.76%
2020	30.72%	0.02%	19.66%	34.93%	1.38%	0.96%	12.33%

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A graphic display of the distribution of expenses for the two years follows:



	Water administration	Source of supply, power and pumping	Purification	Transmission and distribution	Debt service - interest	Depreciation
2019	24.02%	13.52%	21.56%	18.95%	7.06%	14.89%
2020	32.76%	12.57%	21.05%	12.66%	8.45%	12.51%

4. **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As of December 31, 2020, the governmental funds reported a combined fund balance of \$22,759,317, an increase of \$13,998,434 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. The December 31, 2019 general fund – fund balance was restated to adjust for revenues that should have been recognized in 2019, including the retrospective effect of a change in accounting policy in 2020. The accompanying Notes to Financial Statements, Note 14 “Restatement of Fund Balance” provides additional information. A summary of the change in the components of fund balance by fund is as follows:

	2020	As Restated 2019	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable:				
Inventory	\$ 196,228	\$ 187,845	\$ 8,383	4.46 %
Prepays	195,663	190,128	5,535	2.91 %
Restricted: Capital	2,652,510	2,335,383	317,127	13.58 %
Assigned:				
Emerging contaminants	3,336,355		3,336,355	100%
Unappropriated fund balance	372,705	225,711	146,994	65.12 %
Unassigned: Fund balance	2,376,396	3,170,972	(794,576)	(25.06)%
	<u>9,129,857</u>	<u>6,110,039</u>	<u>3,019,818</u>	<u>49.42 %</u>

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	2020	As Restated 2019	Increase (Decrease)	Percentage Change
Capital Fund				
Restricted:				
Capital	\$ 1,399,368	\$ 3,785,433	\$ (2,386,065)	(63.03)%
Contaminants		1,131,621	(1,131,621)	(100.00)%
Unspent debt proceeds	12,455,871		12,455,871	100%
Unassigned: Fund balance (deficit)	<u>(225,779)</u>	<u>(2,266,210)</u>	<u>2,040,431</u>	90.04 %
	<u>13,629,460</u>	<u>2,650,844</u>	<u>10,978,616</u>	414.16 %
 Total Governmental Funds				
Fund Balance	<u>\$ 22,759,317</u>	<u>\$ 8,760,883</u>	<u>\$ 13,998,434</u>	159.78 %

A. General Fund

The general fund is the principal operating fund of the District. For the year ended December 31, 2020, the fund balance increased by \$3,019,818, as revenues and other financing sources of \$10,348,882, exceeded expenditures and other financing uses of \$7,329,064. Revenues and other financing sources decreased by \$1,300,296 (11.16%) from fiscal 2019. The decrease was primarily due to decreases in program revenues and other financing sources, offset by increases in real property taxes. The decrease in program revenues is mainly due to a decrease in construction water charges as the District recognized less in revenues from developer installations. The decrease in construction water charges was offset by an increase in metered water sales due to an increase in demand. Included in the 2019 other financing sources was an operating transfer in from the capital projects fund. The amount transferred represented amounts that were no longer needed to fund projects, as a result of the District being able to secure additional grant funds from New York State. In 2020, the District did transfer additional funds from the capital projects fund to the general fund, but this transfer was significantly less than the prior year. Also included in other financing sources is premiums received on BANs. The District did not receive similar premiums in 2019. The premiums offset the decrease in the operating transfers in. The increase in real property taxes was in accordance with the 2020 budget.

Expenditures and other financing uses decreased by \$7,649,042 or 51.07% from fiscal 2019 totals. This decrease was primarily due to a decrease in other financing uses. In 2019, the District transferred funds from the general fund to the capital projects fund to provide funding for capital projects. This funding was provided from the District's capital reserves and general fund appropriations. The District transferred less in the current year to provide funding for current capital projects.

The restricted fund balances increased by \$317,127 compared to the prior year. This increase is due to the funding of the general capital reserve, the return of unspent capital reserve funds and interest allocated to the reserve.

During 2020, the District established and funded an assignment of fund balance for emerging contaminants in the amount of \$3,336,355. The assignment will be used to offset future costs of projects specific to the removal of emerging contaminants.

B. Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The net change in the capital projects fund – fund balance is an increase of \$10,978,616. The District recognized \$2,392,300 in grant revenues, transferred \$199,339 into the capital projects fund and recognized long-term BAN proceeds for \$19,000,000 to fund various projects. The District's capital projects are for facility improvements and new water treatment infrastructure needed to treat water for various new

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

emerging contaminants in accordance with newly enacted State mandated guidelines. Since not all of this work has been completed, this resulted in the increase.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020 Budget

The District's general fund approved budget for the year ended December 31, 2020 was \$9,914,331. This amount was increased by encumbrances carried forward from the prior year in the amount of \$185,681 for a final budget of \$10,100,012.

The final budget was funded by \$5,349,218 in estimated property taxes and other tax items, \$4,508,613 in estimated program revenues, \$56,500 in other revenues, and \$185,681 from encumbrances carried forward from the prior year.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves, assignments and amounts classified as nonspendable. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance, Restated	\$ 3,170,972
Revenues Over Budget	434,551
Expenditures and Encumbrances Under Budget	2,398,243
Net Change in Nonspendable Fund Balance	(13,918)
Allocation to Reserves	(317,127)
Unused Assigned, Unappropriated Fund Balance	40,030
Net Change in Assigned Fund Balance	<u>(3,336,355)</u>
Closing, Unassigned Fund Balance	<u>\$ 2,376,396</u>

Opening, Unassigned Fund Balance, Restated

The \$3,170,972 shown in the table is the District's December 31, 2019 unassigned fund balance.

Revenues Over Budget

The 2020 final budget for revenues was \$9,914,331. Actual revenues and other financing sources recognized for the year were \$10,348,882. The excess of actual revenue over estimated or budgeted revenue was \$434,551. This change contributes directly to the change in the unassigned portion of the general fund-fund balance from December 31, 2019 to December 31, 2020. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures and Encumbrances Under Budget

The 2020 final budget for expenditures and other financing uses was \$10,100,012. Actual expenditures and other financing uses for the year were \$7,329,064 and outstanding encumbrances were \$372,705. Combined, the expenditures and encumbrances for 2020 were \$7,701,769. The District's expenditure budget was under spent by \$2,398,243 as a result of the 2020 budget including costs for a full year of AOP operating and maintenance expenditures at four treatment facilities, however, due to the regulation

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

implementation being postponed, the District only utilized two AOP facilities starting in November 2020. This under expenditure contributes to the change to the unassigned portion of the general fund-fund balance from December 31, 2019 to December 31, 2020. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

The District prepaid three months of NYS and Local Employees' Retirement System required contributions, staff professional dues, insurance payments and one month of health insurance, and had inventories for supplies and materials at December 31, 2020. The resulting balance sheet assets (prepaids and inventories) cannot be spent because they are not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as nonspendable. The increase in nonspendable fund balance decreases unassigned fund balance.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers.

The \$(317,127) shown in the previous table represents a transfer to the general capital reserve of \$271,873, plus interest earning of \$45,254.

Unused Assigned, Unappropriated Fund Balance

At December 31, 2019, the District had open encumbrances totaling \$225,711. However, subsequent to year end it was determined that certain services were not needed and the related encumbrances were voided. The reduction in the assigned fund balance increases the unassigned fund balance.

Net Change in Assigned Fund Balance

The \$3,336,355 shown in the previous table represents an assignment for emerging contaminants. This decreases the unassigned portion of the general fund's fund balance at December 31, 2020.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the District will begin the 2021 fiscal year with an unassigned fund balance of \$2,376,396. This is a decrease of \$794,576 in the unassigned balance from the prior year.

6. CAPITAL ASSETS, DEBT ADMINISTRATION AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

At December 31, 2020 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 of \$12,158,987 in excess of depreciation expense of \$1,019,198 for the year. A summary of the District's capital assets, net of accumulated depreciation at December 31, 2020 and 2019 is as follows:

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	2020	2019	Increase (Decrease)
Land	\$ 302,792	\$ 302,792	\$ -
Construction work in progress	14,683,292	4,667,187	10,016,105
Buildings and improvements	9,598,500	9,961,541	(363,041)
Furniture and equipment	609,971	450,099	159,872
Infrastructure	19,414,227	18,147,121	1,267,106
Vehicles	102,269	38,761	63,508
Software	67,009	70,770	(3,761)
Capital assets, net	<u>\$ 44,778,060</u>	<u>\$ 33,638,271</u>	<u>\$ 11,139,789</u>

The majority of the additions were related to the ongoing construction of new infrastructure to institute treatment for the removal of 1,4 Dioxane.

The District is continuing to make significant capital expenditures resulting from bond authorizations for the construction of new infrastructure to the institute treatment for the removal of 1.4 Dioxane. As of December 31, 2020, the District has expended approximately 21.75% of the authorization and the construction is on-going.

B. Debt Administration

At December 31, 2020, the District had total bond anticipation notes payable of \$19,000,000 and total bonds payable of \$11,632,606. The bond anticipation notes and bonds were issued for major improvements to the District's infrastructure and facilities. The increase in bond anticipation notes was due to the District issuing new bond anticipation notes to fund capital projects. The decrease in outstanding debt resulted from principal payments made during the current year. A summary of the outstanding debt at December 31, 2020 and 2019 is as follows:

	Issue Date	Interest Rate	2020	2019	Increase (Decrease)
Bond Anticipation Notes Payable					
	3/12/2020	1.25 - 2.00%	<u>\$ 19,000,000</u>	<u>\$ -</u>	<u>\$ 19,000,000</u>
Bonds payable					
	2008	2.00 - 5.00%	\$ 1,707,467	\$ 1,914,081	\$ (206,614)
	2009	2.50 - 4.00%		43,000	(43,000)
	2010	2.00 - 5.00%	371,712	423,829	(52,117)
	2014	2.00 - 5.00%	140,427	171,278	(30,851)
	2014	3.00 - 4.00%	3,630,000	4,009,000	(379,000)
	2014	3.25 - 4.00%	5,455,000	5,868,000	(413,000)
	2018	3.00 - 4.00%	268,000	285,000	(17,000)
	2018	3.00 - 4.00%	60,000	64,000	(4,000)
			<u>\$ 11,632,606</u>	<u>\$ 12,778,188</u>	<u>\$ (1,145,582)</u>

In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant No. 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4 and 7, to treat for 1,4 Dioxane. As of December 31, 2020, the District issued \$19,000,000 in bond anticipation notes through the Town and \$11,093,420 remains as unissued.

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Additional information on the District's debt can be found in Note 10 "Long-Term Liabilities" of the Notes to Financial Statements.

C. Other Long-Term Liabilities

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

	2020	2019	Increase (Decrease)
Compensated absences payable	\$ 262,432	\$ 224,301	\$ 38,131
Net pension liability - proportionate share	1,167,730	378,259	789,471
Total other postemployment benefits liability	10,921,855	9,576,384	1,345,471
	<u>\$ 12,352,017</u>	<u>\$ 10,178,944</u>	<u>\$ 2,173,073</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Commissioners adopted the District's 2021 budget on September 8, 2020. The District expects to maintain the same quality level of service to its taxpayers and customers that it has historically provided. The 2021 budget of \$10,210,403 represents a \$296,072 (2.99%) increase over the 2020 budget. The majority of this increase is within pumping and distribution of water and equipment expenditures. Partial funding for the budget will be provided by estimated non-property tax revenues of \$4,647,240, which is a decrease of \$67,873 (1.44%) from 2020. The real property tax levy of \$5,563,163 will provide the balance of the funding for the budget, which is an increase of \$363,945 (7.00%) over 2020.

B. Water Sales

The District derives a significant amount 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 the District 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 the District's estimates. The District continued to budget conservatively for 2020. 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 current and past five years are as follows:

	Gallons billed (millions)	Water Revenue Recognized in General Fund (thousands)
2020	1,653	\$ 4,016
2019, as restated	1,682	3,959
2018	1,635	3,870
2017	1,660	3,780
2016	1,841	3,942
2015	1,834	3,645

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

C. Tax Cap

New York State law limits the increase in the property tax levy of municipalities to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Municipalities may override the tax levy limit by drafting a local law or resolution that overrides the tax levy limit and having it approved by a 60 percent rate of the governing body. Based on the law, the District's tax levy cap for 2021 is 2.50%. The District's tax levy increase of 7.00%, as approved by the Board of Commissioners, exceeds the cap for 2021. The increase to real property taxes was imposed, most significantly due to operating and maintenance costs related to the newly implemented Advanced Oxidation Process (AOP) treatment for 1,4 Dioxane. These new costs are the result of the NYS Department of Health Commissioner's enactment of the Drinking Water Council's recommendation to establish a Maximum Contaminant Level (MCL) of 1.0 part per billion (ppb) for 1,4 Dioxane and 10 parts per trillion (ppt) for PFOS and PFOA. Additionally, the increase is attributed to the increased cost to maintain and improve the District's infrastructure coupled with the need to build new infrastructure and treatment facilities for AOP treatment, as a result of the newly regulated MCL.

8. ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's taxpayers, customers and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Plainview Water District's Business Manager at Plainview Water District, 10 Manetto Hill Road, Plainview, New York 11803.

PLAINVIEW WATER DISTRICT
Statement of Net Position
December 31, 2020

ASSETS

Cash	
Unrestricted	\$ 4,813,457
Restricted	4,051,878
Receivables	
Accounts receivable	943,564
Due from New York State	2,173,844
Due from other governments	117,599
Due from primary government	11,622,404
Inventory	196,228
Prepays	195,663
Capital assets not being depreciated	14,986,084
Capital assets being depreciated, net of accumulated depreciation	<u>29,791,976</u>
 Total Assets	 <u>68,892,697</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	863,826
Other postemployment benefits	<u>1,846,983</u>
 Total Deferred Outflows of Resources	 <u>2,710,809</u>

LIABILITIES

Payables	
Accounts payable	615,715
Accrued liabilities	464,312
Retainage payable	379,366
Guarantee and bid deposits	108,672
Unearned credits - collections in advance	46,232
Long-term liabilities	
Due within one year	
Bonds payable	1,142,226
Compensated absences payable	65,155
Due after one year	
Bond anticipation notes payable	19,000,000
Bonds payable	10,490,380
Compensated absences payable	197,277
Net pension liability - proportionate share	1,167,730
Total other postemployment benefits liability	<u>10,921,855</u>
 Total Liabilities	 <u>44,598,920</u>

DEFERRED INFLOWS OF RESOURCES

Pension	93,575
Other postemployment benefits	<u>1,669,580</u>
 Total Deferred Inflows of Resources	 <u>1,763,155</u>

NET POSITION

Net investment in capital assets	26,221,959
Restricted: Capital	4,051,878
Unrestricted (deficit)	<u>(5,032,406)</u>
 Total Net Position	 <u>\$ 25,241,431</u>

PLAINVIEW WATER DISTRICT
Statement of Activities
For the Year Ended December 31, 2020

Program Revenues

Charges for services	\$ 4,572,685
Operating grants	2,634
Capital grants	<u>2,926,878</u>

Total Program Revenues	<u>7,502,197</u>
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Program Expenses

Home and community services	
<i>Water supply services</i>	
Water administration	2,668,806
Source of supply, power and pumping	1,023,980
Purification	1,714,980
Transmission and distribution	1,031,821
Debt service - interest	688,777
Depreciation	<u>1,019,198</u>

Total Program Expenses	<u>8,147,562</u>
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Net Revenue (Expense)	<u>(645,365)</u>
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General Revenues

Real property taxes	5,199,180
Other tax items	205,874
Use of money and property	143,511
Sale of property and compensation for loss	37,389
Miscellaneous	<u>1,796,019</u>

Total General Revenues	<u>7,381,973</u>
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Change in Net Position	6,736,608
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Net Position - Beginning of Year	<u>18,504,823</u>
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Net Position - End of Year	<u><u>\$ 25,241,431</u></u>
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PLAINVIEW WATER DISTRICT
Balance Sheet - Governmental Funds
December 31, 2020

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash			
Unrestricted	\$ 4,813,457	\$	\$ 4,813,457
Restricted	3,103,404	948,474	4,051,878
Receivables			
Accounts receivable	943,564		943,564
Due from other funds		9,205	9,205
Due from New York State		2,173,844	2,173,844
Due from other governments	117,599		117,599
Due from primary government	265,478	11,356,926	11,622,404
Inventory	196,228		196,228
Prepays	195,663		195,663
	<u>\$ 9,635,393</u>	<u>\$ 14,488,449</u>	<u>\$ 24,123,842</u>
LIABILITIES			
Payables			
Accounts payable	\$ 338,126	\$ 277,589	\$ 615,715
Accrued liabilities	3,301	46,822	50,123
Due to other funds	9,205		9,205
Guarantee and bid deposits	108,672		108,672
Unearned credits			
Collections in advance	46,232		46,232
	<u>505,536</u>	<u>324,411</u>	<u>829,947</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues		534,578	534,578
FUND BALANCES			
Nonspendable:			
Inventory	196,228		196,228
Prepays	195,663		195,663
Restricted:			
Capital	2,652,510	1,399,368	4,051,878
Unspent debt proceeds		12,455,871	12,455,871
Assigned:			
Emerging contaminants	3,336,355		3,336,355
Unappropriated fund balance	372,705		372,705
Unassigned: Fund balance (deficit)	2,376,396	(225,779)	2,150,617
	<u>9,129,857</u>	<u>13,629,460</u>	<u>22,759,317</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,635,393</u>	<u>\$ 14,488,449</u>	<u>\$ 24,123,842</u>

PLAINVIEW WATER DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Governmental Fund Balances	\$ 22,759,317
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The costs of constructing and acquiring capital assets (land, buildings, equipment, and infrastructure) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives. Balances at December 31, 2020, were:

Original cost of capital assets	\$ 61,870,977	
Less: Accumulated depreciation	<u>(17,092,917)</u>	
		44,778,060

Proportionate share of long-term liability and deferred outflows and inflows associated with participation in the state retirement system are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	863,826	
Net pension liability	(1,167,730)	
Deferred inflows of resources	<u>(93,575)</u>	
		(397,479)

Total other postemployment benefits liability and deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	1,846,983	
Total other postemployment benefits liability	(10,921,855)	
Deferred inflows of resources	<u>(1,669,580)</u>	
		(10,744,452)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.	534,578
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Long-term and related liabilities are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds. Long-term and related liabilities consisted of:

Accrued interest on bonds and BANs payable	(414,189)	
Retainage payable	(379,366)	
Bond anticipation notes payable	(19,000,000)	
Bonds payable	(11,632,606)	
Compensated absences	<u>(262,432)</u>	
		<u>(31,688,593)</u>

Total Net Position	<u><u>\$ 25,241,431</u></u>
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PLAINVIEW WATER DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2020

	General	Capital Projects	Total Governmental Funds
Revenues			
Real property taxes	\$ 5,199,180	\$	\$ 5,199,180
Other tax items	205,874		205,874
Program revenues	4,572,685		4,572,685
Use of money and property	143,511		143,511
Sale of property and compensation for loss	37,389		37,389
Miscellaneous	7,795		7,795
State sources		2,392,300	2,392,300
Federal sources	2,634		2,634
	<u>10,169,068</u>	<u>2,392,300</u>	<u>12,561,368</u>
Expenditures			
Water administration	1,190,504	4,631	1,195,135
Source of supply, power and pumping	1,023,980		1,023,980
Purification	1,354,655		1,354,655
Transmission and distribution	780,317		780,317
Employee benefits	1,183,808		1,183,808
Debt service			
Principal	1,145,582		1,145,582
Interest	450,879		450,879
Capital outlay		10,536,519	10,536,519
	<u>7,129,725</u>	<u>10,541,150</u>	<u>17,670,875</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,039,343</u>	<u>(8,148,850)</u>	<u>(5,109,507)</u>
Other Financing Sources and (Uses)			
Premium on obligations	107,941		107,941
Proceeds of debt		19,000,000	19,000,000
Operating transfers in	71,873	199,339	271,212
Operating transfers (out)	(199,339)	(71,873)	(271,212)
	<u>(19,525)</u>	<u>19,127,466</u>	<u>19,107,941</u>
Net Change in Fund Balances	3,019,818	10,978,616	13,998,434
Fund Balances - Beginning of Year, as Restated	<u>6,110,039</u>	<u>2,650,844</u>	<u>8,760,883</u>
Fund Balances - End of Year	<u>\$ 9,129,857</u>	<u>\$ 13,629,460</u>	<u>\$ 22,759,317</u>

PLAINVIEW WATER DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

Net Change in Fund Balances \$ 13,998,434

Long-term Revenue and Expense Differences

In the Statement of Activities, certain program revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).

\$ 534,578

Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in compensated absences

(38,131)

496,447

Capital Related Differences

Capital outlays to purchase, build or improve capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. In addition, the value of donated assets is included in revenues in the Statement of Activities, but is not reported as a revenue in the governmental funds. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlays

10,478,704

Donated infrastructure assets

1,680,283

Depreciation expense

(1,019,198)

11,139,789

The increase in retainage payable is effectively an expense in the Statement of Activities, however, it does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

(301,589)

10,838,200

Long-Term Debt Transactions

Proceeds from the issuance of long-term bond anticipation notes is an other financing source in the governmental funds, but increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

(19,000,000)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

1,145,582

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest increased from December 31, 2019 to December 31, 2020.

(237,898)

(18,092,316)

Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plan and the change in other postemployment benefits expense, reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Employees' retirement system

(206,648)

Other postemployment benefits

(297,509)

(504,157)

Change in Net Position of Governmental Activities

\$ 6,736,608

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Plainview Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are as follows:

A. Reporting Entity

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 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 reporting entity is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations and are governed by, or significantly influenced by, the Board of Commissioners. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units or other entities included in the District's reporting entity.

The District is a component unit of the Town of Oyster Bay, New York.

B. Basis of Presentation

District-Wide Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the District. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, program revenues, and other exchange and non-exchange transactions. Capital grants reflect capital-specific grants, if applicable.

The Statement of Net Position presents the financial position of the District at fiscal year end. The Statement of Activities presents a comparison between program revenues and expenses for each function of the District's governmental activities. Program expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges to customers for water usage. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

The fund financial statements provide information about the District's funds. The District's financial statements present the following fund types:

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 emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Capital Projects Fund: This fund is used to account for the financial resources that are restricted, committed, or assigned to expenditures of capital outlays, including the acquisition or construction of capital facilities and other capital assets.

C. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes change in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for retainage, principal and interest on general long-term debt, claims and judgments, compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Real Property Taxes

Calendar

Real property taxes for the Town of Oyster Bay are levied annually by the Town Board. The taxes are due in two installments of 50% on January 1 and July 1 without penalty to February 10 and August 10, respectively. Late payments are subject to penalties. The taxes are collected by the Town and subsequently forwarded to the District. Uncollected taxes are subsequently enforced by Nassau County.

Water sales that go uncollected for three months are turned over to the Town for collection. These balances become liens on the respective delinquent properties. The Town remits to the District the amount of the receivables plus interest, regardless of their ability to collect on the liens. Uncollected amounts are enforced by Nassau County.

E. Payment in Lieu of Taxes (PILOT)

The District reports payments in lieu of taxes (PILOT) revenues in the general fund as part of other tax items revenue. These PILOT revenues are often the results of tax abatements granted by industrial development agencies of the town and/or county to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected PILOT to the District.

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-2016 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and instead, allowed LIPA to make payments in lieu of taxes with annual increases of no more than 2% in response to the New York State Public Authorities Law Section 1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No 77, "Tax Abatement Disclosures", under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$158,522 in LIPA PILOT revenue during the 2020 fiscal year.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes to Financial Statements.

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the district-wide statements, eliminations have been made for all interfund receivables and payables between funds.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, transfers in and transfers out activity is provided subsequently in these Notes to Financial Statements.

H. Use of Estimates

The preparation of 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 amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, other postemployment benefits, pension costs, potential contingent liabilities and useful lives of capital assets.

I. Cash and Cash Equivalents/Investments

Cash and cash equivalents consist of cash on hand, bank deposits and investments with a maturity date of three months or less from date of acquisition.

Investments are reported at fair value based on quoted market price.

Certain cash balances are classified as restricted because their use is restricted by contractual agreement and various legal obligations, such as legal reserves.

The District does not have any cash equivalents or investments at December 31, 2020.

J. Receivables

Receivables include amounts due from customers. Receivables are shown net of allowance for uncollectibles, if any. However, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventory and Prepaids

Inventory consists of supply type items and are recorded at cost on a first-in, first-out basis. Prepaids represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the district-wide and fund financial statements. These items are reported as assets using the consumption method. A current asset for both the inventory and 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 inventory and prepaids do not constitute available spendable resources.

L. Capital Assets

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Capitalization thresholds, (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	\$ 1,000	Straight line	40 years
Furniture and equipment	1,000	Straight line	5-10 years
Infrastructure	1,000	Straight line	50 years
Vehicles	1,000	Straight line	10 years
Software	1,000	Straight line	5-10 years

M. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions and consists of the District's proportionate share of changes in the collective net pension liability not included in the collective pension expense as well as the District's contributions to the pension system subsequent to the measurement date. The second item is related to OPEB and represents changes in total other postemployment benefits not included in OPEB expense.

N. Short-Term Debt

The District may issue bond anticipation notes (BANs), in anticipation of proceeds from subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during the calendar year 2015 through and including 2021. However, bond anticipation notes issued in anticipation of bonds for an assessable improvement may be renewed from time-to-time for a period not exceeding one year for each such renewal, and without limitation as to the number of such renewals. These renewals cannot extend beyond the period of probable usefulness of the object or purpose for which it is issued, as computed from the date of the first note or notes issued. BANs that are replaced with long-term financing, or renewed subsequent to year end, are treated as long-term obligations, as these notes will not require the use of working capital during that period.

The District issued \$19,000,000 in BANs through the Town of Oyster Bay during the year ended December 31, 2020; however, these BANs were renewed prior to the financial statements being issued and were treated as long-term liabilities.

O. Collections in Advance

Collections in advance arise when resources are received by the District before it has legal claim to them, as when charges for service monies are received in advance from payers prior to the services being rendered by the District, such as prepaid water usage fees. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues recognized in subsequent periods when the District has legal claim to the resources.

P. Employee Benefits - Compensated Absences

Compensated absences consist of unpaid accumulated vacation time and sick leave.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 leave. Employees accrue sick leave at a rate of 12 days per year and may accumulate such credits up to a total of 80 days. Upon separation from service other than termination for cause, employees are paid for all unused accumulated sick leave.

The liability for compensated absences has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by December 31st.

Q. Other Benefits

Eligible District employees participate in the New York State and Local Employees' Retirement System.

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

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

In addition to providing these benefits, the District provides individual, family or surviving spouse postemployment health insurance coverage for eligible retired employees. The Employee Handbook determines if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75.

R. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has three items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds, when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables for capital project grants. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the district-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pension reported in the district-wide Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension liability not included in the collective pension expense. The third item is related to OPEB and represents the change in the total other postemployment benefits obligation not included in OPEB expense.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

S. Equity Classifications

District-Wide Statements

In the district-wide statements there are three classes of net position:

Net investment in Capital Assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – Reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Reports the balance of net position that does not meet the definition of the above two classifications.

Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used as follows:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventory and prepaids, which are recorded in the general fund.

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Capital Reserve –

Capital Reserve, General – Capital reserve general was established pursuant to Section 6-C of the General Municipal Law of the State of New York. This reserve is a general reserve for improvements as defined by the District's engineers. These reserves are accounted for in the general fund and capital projects fund.

Capital Reserve, Contaminants – Capital reserve contaminants was established pursuant to Section 6-C of the General Municipal Law of the State of New York. This reserve was used to help finance the cost of water enhancement projects. This reserve was accounted for in the capital projects fund.

Restricted Unspent Debt Proceeds – Unspent long-term debt proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Commissioners. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance could also include an amount appropriated to partially fund the subsequent year's budget, and encumbrances not classified as restricted at the end of the fiscal year, as well as the following:

Assigned for Emerging Contaminants – The balance represents an amount set aside for future water treatments for emerging contaminants.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Unassigned – Represents the residual classification for the District’s general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from the overspending of available resources.

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board of Commissioners if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Commissioners.

The Board of Commissioners shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the Board 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.

2. FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB standards issued, but statements that the District feels may have a future impact on these financial statements. The District will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
December 31, 2022	GASB No. 87 – Leases

GASB Statement No. 87 will change the reporting of leases in the district-wide financial statements. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of financial resources.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN DISTRICT-WIDE STATEMENTS AND GOVERNMENTAL FUND STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District’s governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term assets and liabilities, including pensions and OPEB.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension and Other Postemployment Benefits Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District’s proportionate share of the collective pension expense of the plan.

Other postemployment benefit differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for other postemployment benefit costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Policies

Budgets are adopted annually on a basis consistent with GAAP. The District’s procedures for establishing its budget are as follows:

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

- The District's administration prepares a proposed budget for the general fund and submits it to the Board of Commissioners for approval.
- The proposed budget for the general fund is then submitted to the Oyster Bay Town Board for approval.
- Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balance. These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The District determined that certain services were not needed and voided prior year encumbrances in the amount of \$40,030, as a result the final budget was reduced by the same amount.
- In the capital projects fund, budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Restricted Fund Balance

The following table provides a summary of activity for restricted fund balance as follows:

	Restricted: Capital Improvements			
	<i>General Fund</i>	<i>Capital Projects Fund</i>		
	General	General	Contaminants	Total
Beginning Balance	\$ 2,335,383	\$ 3,785,433	\$ 1,131,621	\$ 7,252,437
Budgeted increase to Reserve	200,000			200,000
Interest earned	45,254			45,254
Transfer(s):				
from Capital Projects Fund	71,873			71,873
to General Fund		(71,873)		(71,873)
Use of Reserve		(2,314,192)	(1,131,621)	(3,445,813)
Ending Balance	<u>\$ 2,652,510</u>	<u>\$ 1,399,368</u>	<u>\$ -</u>	<u>\$ 4,051,878</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities.

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by letters of credit pledged on the District's behalf at year end, in the District's name.

The District did not have any investments at year-end or during the year. Consequently, the District was not exposed to any material credit risk, interest rate risk, or concentration of credit-risk.

6. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2020 consisted of:

Metered water sales, billed	\$ 715,265
Metered water sales, unbilled	226,749
Miscellaneous	<u>1,550</u>
	<u>\$ 943,564</u>

District management expects these amounts to be fully collectible.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. DUE FROM NEW YORK STATE

Due from New York State at December 31, 2020 consists of:

New York State WIIA Grant - 2018	\$ 526,402
New York State WIIA Grant - 2019	1,639,266
Research Foundation of the University of New York - CCWT Grant	<u>8,176</u>
	<u><u>\$ 2,173,844</u></u>

District management expects these amounts to be fully collectible.

8. CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 302,792	\$	\$	\$ 302,792
Construction work in progress	<u>4,667,187</u>	<u>10,632,154</u>	<u>(616,049)</u>	<u>14,683,292</u>
Total capital assets not being depreciated	<u>4,969,979</u>	<u>10,632,154</u>	<u>(616,049)</u>	<u>14,986,084</u>
Capital assets being depreciated:				
Buildings and improvements	17,266,129	26,750		17,292,879
Furniture and equipment	1,312,219	272,228		1,584,447
Infrastructure	25,638,562	1,747,848		27,386,410
Vehicles	483,026	89,045	(39,362)	532,709
Software	<u>81,437</u>	<u>7,011</u>		<u>88,448</u>
Total capital assets being depreciated	<u>44,781,373</u>	<u>2,142,882</u>	<u>(39,362)</u>	<u>46,884,893</u>
Less accumulated depreciation for:				
Buildings and improvements	7,304,588	389,791		7,694,379
Furniture and equipment	862,120	112,356		974,476
Infrastructure	7,491,441	480,742		7,972,183
Vehicles	444,265	25,537	(39,362)	430,440
Software	<u>10,667</u>	<u>10,772</u>		<u>21,439</u>
Total accumulated depreciation	<u>16,113,081</u>	<u>1,019,198</u>	<u>(39,362)</u>	<u>17,092,917</u>
Total capital assets being depreciated, net	<u>28,668,292</u>	<u>1,123,684</u>		<u>29,791,976</u>
Capital assets, net	<u><u>\$ 33,638,271</u></u>	<u><u>\$ 11,755,838</u></u>	<u><u>\$ (616,049)</u></u>	<u><u>\$ 44,778,060</u></u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The current year additions include donated infrastructure assets valued at \$1,680,283. The \$616,049 reduction in construction work in progress represents costs of engineering studies incurred that the District has determined will not result in the construction of depreciable assets and should therefore, be expensed.

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset 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, 2020, the District has not recorded any such impairment losses.

Depreciation expense totaled \$1,019,198 and was charged to home and community services – water supply services.

9. INTERFUND TRANSACTIONS

Interfund balances and activities at December 31, 2020 are as follows:

	Interfund			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$	\$ 9,205	\$ 71,873	\$ 199,339
Capital Projects Fund	9,205		199,339	71,873
Total governmental activities	<u>\$ 9,205</u>	<u>\$ 9,205</u>	<u>\$ 271,212</u>	<u>\$ 271,212</u>

Interfund receivables and payables are eliminated on the Statement of Net Position. The District transferred funds from the general fund to the capital projects fund in accordance with the budget and various approvals throughout the year to fund current capital projects. The transfer from the capital projects fund to the general fund represents amounts not needed to fund projects. These funds were returned to the general fund capital reserve.

All interfund payables are expected to be repaid within one year.

10. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activities, for the year ended December 31, 2020, are summarized as follows:

	Balance 12/31/19	Additions	Reductions	Balance 12/31/20	Amounts Due Within One Year
Long-term debt:					
BANs payable	\$ -	\$ 19,000,000	\$	\$ 19,000,000	\$
Bonds payable	12,778,188		(1,145,582)	11,632,606	1,142,226
Other long-term liabilities:					
Compensated absences	224,301	141,976	(103,845)	262,432	65,155
Net pension liability - proportionate share	378,259	982,955	(193,484)	1,167,730	
Total OPEB liability	<u>9,576,384</u>	<u>1,644,998</u>	<u>(299,527)</u>	<u>10,921,855</u>	
	<u>\$ 22,957,132</u>	<u>\$ 21,769,929</u>	<u>\$ (1,742,438)</u>	<u>\$ 42,984,623</u>	<u>\$ 1,207,381</u>

The general fund is used to liquidate all long-term liabilities.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Bond Anticipation Notes Payable

Bond anticipation notes payable is comprised of the following:

	<u>Maturity</u>	<u>Stated Interest Rate</u>	<u>Balance 12/31/19</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 12/31/20</u>
BAN	3/12/2021	1.25 - 2.00%	<u>\$ -</u>	<u>\$ 19,000,000</u>	<u>\$ -</u>	<u>\$ 19,000,000</u>

C. Bonds Payable

Bonds payable is comprised of the following:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at Year-End 12/31/20</u>
Public improvement serial bonds	2008	2027	2.00 - 5.00%	\$ 1,707,467
Public improvement serial bonds	2010	2026	2.00 - 5.00%	371,712
Refunding public improvement serial bonds	2014	2024	2.00 - 5.00%	140,427
Public improvement serial bonds	2014	2028	3.00 - 4.00%	3,630,000
Public improvement serial bonds	2014	2031	3.25 - 4.00%	5,455,000
Public improvement serial bonds	2018	2033	3.00 - 4.00%	268,000
Public improvement serial bonds	2018	2033	3.00 - 4.00%	<u>60,000</u>
				<u>\$ 11,632,606</u>

The following is a summary of debt service requirements of bonds payable:

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,277,018	283,538	1,560,556
2025	1,279,830	239,146	1,518,976
2026 - 2030	4,843,079	566,287	5,409,366
2031 - 2033	<u>673,000</u>	<u>28,368</u>	<u>701,368</u>
	<u>\$ 11,632,606</u>	<u>\$ 2,226,892</u>	<u>\$ 13,859,498</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Interest Expense

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

Interest paid	\$ 450,879
Less: interest accrued in the prior year	(176,291)
Plus: interest accrued in the current year	<u>414,189</u>
 Total expense	 <u><u>\$ 688,777</u></u>

E. Unissued Debt

In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4 and 7 to institute treatment for the removal of 1,4 Dioxane. As of December 31, 2020, the District issued \$19,000,000 in bond anticipation notes through the Town and \$11,093,420 remains as unissued.

11. PENSION PLANS – NEW YORK STATE

A. Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple employer, public employee retirement system. The system provides retirement, disability, withdrawal and death benefits to plan members and beneficiaries related to years of service and final average salary.

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The net position of the ERS 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 ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the fund and is the administrative head of the ERS. Once a public employer elects to participate in ERS, 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 ERS 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 on the NYS Comptroller's website at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

B. Funding Policy

The system is noncontributory for the employee except for those who either joined the system after July 27, 1976, with less than ten years of credited service, who contribute 3% of their salary, or joined the system on or after January 1, 2010 and before April 1, 2012, who contribute 3% of their salary throughout active membership. For employees hired after April 1, 2012, employee contribution rates are on a sliding scale based on salaries and range from 3% to 6% of salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

billed by the ERS for the current year. The District's average contribution rate was 14.65% of covered payroll for the ERS' fiscal year ending March 31, 2020.

The District's share of the required contributions, based on covered payroll for the District's year ended December 31, 2020, was \$180,742 at an average contribution rate of 14.22%.

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

At December 31, 2020, the District reported the following liability for its proportionate share of the net pension liability for the system, which was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 in reports provided to the District.

Measurement date	March 31, 2020
District's proportionate share of the net pension liability	\$ 1,167,730
District's portion of the Plan's total net pension liability	0.0044098%
Change in proportion since the prior measurement date	(0.0009288)

For the year ended December 31, 2020, the District recognized pension expense of \$387,389 for ERS. At December 31, 2020, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,726	\$
Changes in assumptions	23,513	20,303
Net difference between projected and actual earnings on pension plan investments	598,635	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	40,581	73,272
District contributions subsequent to the measurement date	132,371	
Total	<u>\$ 863,826</u>	<u>\$ 93,575</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Year Ending December 31,	Amount
2021	\$ 103,045
2022	160,334
2023	207,801
2024	166,700
	\$ 637,880

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Inflation	2.5%
Salary increases	4.2%
Investment rate of return (net of investment expense, including inflation)	6.8%
Cost of living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 system experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	Target Allocation	Long-term Expected Rate of Return
Measurement date		March 31, 2020
Asset type		
Domestic equity	36.0%	4.05 %
International equity	14.0%	6.15 %
Real estate	10.0%	4.95 %
Private equities	10.0%	6.75 %
Alternative investments	8.0%	3.25-5.95%
Bonds and mortgages	17.0%	0.75 %
Cash	1.0%	0.00 %
Inflation indexed bonds	4.0%	0.50 %
	100.0%	

Rates of return are net of a long-term inflation assumption of 2.5%.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 6.80% (the discount used at the prior year's measurement date of March 31, 2019, was 7.00%). The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the ERS' 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 6.80%, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Assumption 6.80%	1% Increase 7.80%
District's proportionate share of the net pension asset/(liability)	\$ (2,143,114)	\$ (1,167,730)	\$ (269,397)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the measurement date, were as follows:

	<i>(Dollars in Thousands)</i>
Measurement date	March 31, 2020
Employers' total pension liability	\$ (194,596,261)
Plan fiduciary net position	<u>168,115,682</u>
Employers' net pension liability	<u>\$ (26,480,579)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	86.39%

Prepayments to the Pension Plan

Employer contributions are paid annually based on the ERS' fiscal year, which ends on March 31st. Annual payments are due February 1st. An employer can elect to prepay the amount due by December 15th to receive a 1% discount. The District paid the annual invoice in December. This resulted in a prepayment of \$44,124 for the period of January 1, 2021 through March 31, 2021. Employee contributions are remitted monthly.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. PENSION PLANS - OTHER

Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this plan. The amount deferred by eligible employees for the year ended December 31, 2020 totaled \$97,668.

13. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides other postemployment benefits for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions within the employee handbook. All full-time employees and commissioners who have completed 5 years of service to the District and who have become eligible for retirement, in accordance with the New York State Health Insurance Plan requirements are eligible for benefits. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District provides medical, dental, vision and Medicare Part B coverage for eligible retirees. The benefit terms are outlined in the employee handbook.

Employee Covered Benefit Terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	16
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>17</u>
	<u><u>33</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$10,921,855 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%	average, including inflation
Discount rate	2.12%	
Healthcare cost trend rates	6.50%	for 2020, decreasing to an ultimate rate of 5.00% by 2023
Retirees' share of benefit-related costs	0.00%	of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer's 20 Bond Index, updated as of December 31, 2020 to reflect current interest rate trends.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Mortality rates were based on the RPH-2014 Total Dataset mortality table projected fully generationally using projection scale MP-2019.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study as of the valuation date projected to December 31, 2020.

C. Changes in the Total OPEB Liability

Balance at December 31, 2019	<u>\$ 9,576,384</u>
Changes for the year	
Service cost	357,001
Interest	268,099
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,019,898
Benefit payments	<u>(299,527)</u>
	<u>1,345,471</u>
Balance at December 31, 2020	<u><u>\$ 10,921,855</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74% in 2019 to 2.12% in 2020.

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 (1.12%) or 1 percentage point higher (3.12%) than the current discount rate:

OPEB	1% Decrease 1.12%	Discount Rate 2.12%	1% Increase 3.12%
Total OPEB liability	<u>\$ (12,930,285)</u>	<u>\$ (10,921,855)</u>	<u>\$ (9,346,775)</u>

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 healthcare cost trend rates that are 1 percentage point lower (5.50% decreasing to 4.00%) or 1 percentage point higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rate:

OPEB	1% Decrease 5.50% decreasing to 4.00%	Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% decreasing to 6.00%
Total OPEB liability	<u>\$ (9,312,943)</u>	<u>\$ (10,921,855)</u>	<u>\$ (13,005,241)</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

For the year ended December 31, 2020, the District recognized OPEB expense of \$597,036. At December 31, 2020, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,193,728
Changes of assumptions	1,846,983	475,852
Total	<u>\$ 1,846,983</u>	<u>\$ 1,669,580</u>

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

Year Ending December 31,	Amount
2021	\$ (28,064)
2022	(28,064)
2023	69,402
2024	164,129
	<u>\$ 177,403</u>

14. RESTATEMENT OF FUND BALANCE

During the year ended December 31, 2020, the District changed its revenue recognition policy from 60 days to 90 days. In 2019, receivables from metered water sales were recorded as deferred inflows of resources in the fund financial statements and recognized as revenue in the district-wide financial statements. However, revenue from these metered sales were collected within the period of availability and should have been recognized in the general fund. This change resulted in a net increase to fund balance in the amount of \$755,120, from \$5,354,919 to \$6,110,039.

15. TAX ABATEMENT PROGRAMS

The Nassau County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development under New York State Real Property Tax Law §412-a. The amount by which the District's property tax revenue was reduced as a result of these was not available as of December 31, 2020. The District received payments in lieu of taxes (PILOT) payments totaling \$47,352.

The District also recognized \$158,522 in LIPA PILOT revenue. As indicated in Note 1E, these LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

16. RISK MANAGEMENT

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. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

17. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

At December 31, 2020, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	<u>\$ 2,886,241</u>
Assigned: Unappropriated Fund Balance	
General Fund	
Water Administration	\$ 24,745
Purification	104,289
Transmission and Distribution	95,691
Other Financing Uses	<u>147,980</u>
	372,705
Capital Projects Fund	<u>372,215</u>
	<u>\$ 744,920</u>

B. Litigation

The District is not aware of any material pending or threatened litigation claims against the District. The District is also unaware of any unasserted claims or assessments that would require financial statement disclosure.

C. Operating Leases

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 3,889
2022	<u>3,565</u>
	<u>\$ 7,454</u>

18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditors' report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustments of or disclosure in the financial statements, except for the following:

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

A. Bond Refunding

On February 3, 2021, the Town of Oyster Bay on behalf of the District issued \$2,915,000 in public improvement refunding (serial) bonds with interest rates ranging from 2.0% to 4.0%. The net proceeds (the par amount plus premium less underwriter's fees, insurance and other issuance costs) were used to refund outstanding 2014 public improvement serial bonds with an interest rates ranging from 3.0% to 4.0%. The net proceeds were used to pay \$3,630,000 of outstanding principal. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is \$358,460.

B. Issuance of Bond Anticipation Notes

On March 12, 2021, the Town of Oyster Bay issued bond anticipation notes on behalf of the District in the amount of \$19,000,000 to redeem the \$19,000,000 bond anticipation note that matured on March 12, 2021. The new bond anticipation notes mature on March 11, 2022 and bear an interest rate of 2.0%.

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Real property taxes	\$ 5,199,218	\$ 5,199,218	\$ 5,199,180	\$ (38)
Other tax items	150,000	150,000	205,874	55,874
Program revenues				
Metered water sales	4,036,054	4,036,054	4,016,326	(19,728)
Hydrant fees	102,089	102,089	152,966	50,877
Other hydrant rentals	113,670	113,670	116,570	2,900
Sprinkler fees	129,800	129,800	133,000	3,200
Miscellaneous charges	80,000	80,000	52,945	(27,055)
Penalties on water sales	45,000	45,000	88,805	43,805
Construction water charges	2,000	2,000	12,073	10,073
Total program revenues	4,508,613	4,508,613	4,572,685	64,072
Use of money and property	55,000	55,000	143,511	88,511
Sale of property and compensation for loss				
Insurance recoveries			29,697	29,697
Sale of equipment	1,000	1,000	6,275	5,275
Sales of scrap and excess materials	250	250	1,417	1,167
Sales of water supplies	250	250		(250)
Total sale of property and compensation for loss	1,500	1,500	37,389	35,889
Miscellaneous				
Refund of prior year expense			2,173	2,173
Other unclassified revenue			5,622	5,622
Total miscellaneous	-	-	7,795	7,795
Federal sources	-	-	2,634	2,634
Total Revenues	9,914,331	9,914,331	10,169,068	254,737
Other Financing Sources				
Premium on obligations			107,941	107,941
Operating transfers in			71,873	71,873
			179,814	179,814
Total Revenues and Other Sources	9,914,331	9,914,331	10,348,882	\$ 434,551
Appropriated Fund Balance				
Prior Year's Encumbrances	225,711	185,681		
Total Revenues, Other Sources and Appropriated Fund Balance	<u>\$ 10,140,042</u>	<u>\$ 10,100,012</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund, Continued
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
Water Administration					
Superintendent	\$ 157,500	\$ 157,500	\$ 156,192	\$	\$ 1,308
Office salaries	328,930	328,930	320,480		8,450
Commissioners fees	72,000	74,400	73,800		600
Utilities - telephone	47,000	47,000	45,814		1,186
Computer equipment	63,000	62,000	40,350		21,650
Office expense	68,500	66,100	38,578	3,967	23,555
Postage	55,000	55,000	53,464		1,536
Professional fees	398,800	365,500	221,236	20,722	123,542
Insurance	114,500	114,500	104,730		9,770
Conferences and dues expenses	52,000	52,000	14,639		37,361
Election expense	3,500	3,500	3,003		497
Building maintenance	74,750	74,750	55,420	56	19,274
Judgments and claims		61,300	61,300		-
MTA tax	1,164	2,164	1,498		666
Total Water Administration	<u>1,436,644</u>	<u>1,464,644</u>	<u>1,190,504</u>	<u>24,745</u>	<u>249,395</u>
Source of Supply, Power & Pumping					
Diesel and natural gas	40,000	45,000	25,260		19,740
Electricity	1,095,000	1,095,000	998,720		96,280
Total Source of Supply, Power & Pumping	<u>1,135,000</u>	<u>1,140,000</u>	<u>1,023,980</u>	<u>-</u>	<u>116,020</u>
Purification					
Salaries	591,873	591,873	480,992		110,881
Treatment - Lime	355,000	345,000	151,728		193,272
Treatment - Chlorine	60,000	60,000	45,355		14,645
Treatment - Analysis	185,000	235,000	223,758		11,242
Treatment - G.A.C.	235,000	235,000	11,858		223,142
Tools and supplies	95,000	145,000	104,893		40,107
Repairs	632,880	716,900	309,608	104,289	303,003
Ground maintenance	56,000	56,000	26,463		29,537
Total Purification	<u>2,210,753</u>	<u>2,384,773</u>	<u>1,354,655</u>	<u>104,289</u>	<u>925,829</u>
Transmission and Distribution					
Salaries	482,383	482,383	328,624		153,759
Road restoration	75,000	75,000	21,596		53,404
Mains and hydrants	321,000	194,700	110,581	4,333	79,786
Purchase of hydrants	25,000	25,000			25,000
Valve repair	50,000	50,000	20,795		29,205
Service installs	44,003	44,003	40,894	49	3,060
Auto expense	225,948	225,948	113,125	59,361	53,462
Uniforms	6,500	6,500	5,230	156	1,114
Tools and equipment	25,000	25,000	8,473	1,867	14,660
Purchase of meters	277,381	232,381	130,999	29,925	71,457
Total Transmission and Distribution	<u>1,532,215</u>	<u>1,360,915</u>	<u>780,317</u>	<u>95,691</u>	<u>484,907</u>

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund, Continued
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Employee Benefits					
NYS employees' retirement system	\$ 278,976	\$ 212,976	\$ 180,742	\$	\$ 32,234
Social security	124,544	124,544	101,678		22,866
Workers' compensation	135,000	129,500	80,068		49,432
Unemployment	2,500	17,500	10,584		6,916
Life insurance premiums	6,000	6,000	5,309		691
Disability insurance	1,000	2,000	1,060		940
NYS health insurance plan	790,000	790,000	648,956		141,044
Dental plan	100,000	90,000	59,825		30,175
Optical plan	25,000	25,000	20,101		4,899
Medicare reimbursement	35,000	40,500	39,995		505
Supplemental insurance	37,500	37,500	35,070		2,430
Flex spending plan fees	1,000	1,000	420		580
Total Employee Benefits	1,536,520	1,476,520	1,183,808	-	292,712
Debt Service					
Principal	1,175,582	1,175,582	1,145,582		30,000
Interest	470,879	470,879	450,879		20,000
Total Debt Service	1,646,461	1,646,461	1,596,461	-	50,000
Total Expenditures	9,497,593	9,473,313	7,129,725	224,725	2,118,863
Other Financing Uses					
Operating transfers out	642,449	626,699	199,339	147,980	279,380
Total Expenditures and Other Uses	<u>\$ 10,140,042</u>	<u>\$ 10,100,012</u>	<u>7,329,064</u>	<u>\$ 372,705</u>	<u>\$ 2,398,243</u>
Net Change in Fund Balances			3,019,818		
Fund Balances - Beginning of Year, as Restated			<u>6,110,039</u>		
Fund Balances - End of Year			<u>\$ 9,129,857</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

PLAINVIEW WATER DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Six Fiscal Years

	<i>Employees' Retirement System</i>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0044098%	0.0053386%	0.0053777%	0.0061439%	0.0071261%	0.0074200%
District's proportionate share of the net pension liability	\$ 1,167,730	\$ 378,259	\$ 173,561	\$ 577,297	\$ 1,143,753	\$ 250,664
District's covered payroll	\$ 1,271,204	\$ 1,332,186	\$ 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	91.86 %	28.39 %	12.05 %	35.41 %	65.54 %	13.85 %
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

PLAINVIEW WATER DISTRICT
Schedule of District Pension Contributions
Last Ten Fiscal Years

	<i>Employees' Retirement System</i>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 180,742	\$ 196,599	\$ 218,624	\$ 261,091	\$ 285,653	\$ 332,855	\$ 375,817	\$ 361,418	\$ 282,268	\$ 228,034
Contributions in relation to the contractually required contribution	<u>180,742</u>	<u>196,599</u>	<u>218,624</u>	<u>261,091</u>	<u>285,653</u>	<u>332,855</u>	<u>375,817</u>	<u>361,418</u>	<u>282,268</u>	<u>228,034</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,290,421	\$ 1,289,718	\$ 1,440,430	\$ 1,523,888	\$ 1,628,509	\$ 1,758,650	\$ 1,804,640	\$ 1,837,861	\$ 1,661,343	\$ 1,579,987
Contributions as a percentage of covered payroll	14%	15%	15%	17%	18%	19%	21%	20%	17%	14%

PLAINVIEW WATER DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Three Fiscal Years

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 357,001	\$ 253,007	\$ 318,387
Interest	268,099	317,711	357,009
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	(1,986,906)	-
Changes of assumptions or other inputs	1,019,898	1,732,531	(1,049,170)
Benefit payments	(299,527)	(263,812)	(321,652)
Net change in total OPEB liability	1,345,471	52,531	(695,426)
Total OPEB liability, beginning	9,576,384	9,523,853	10,219,279
Total OPEB liability, ending	<u>\$ 10,921,855</u>	<u>\$ 9,576,384</u>	<u>\$ 9,523,853</u>
Covered employee payroll	\$ 1,539,365	\$ 1,501,819	\$ 1,263,417
Total OPEB liability as a percentage of covered employee payroll	709.50%	637.65%	753.82%
Discount rate	2.12%	2.74%	4.10%
Healthcare trend rates	6.50% to 5.00% by 2023	7.00% to 5.00% by 2023	8.00% to 5.00% by 2021

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

Note to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

PLAINVIEW WATER DISTRICT
Schedule of Expenditures and Financing Sources - Capital Projects Fund
For the Year Ended December 31, 2020

PROJECT TITLE	Budget 12/31/19	Budget 12/31/20	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance 12/31/20
			Prior Years	Current Year	Total			State Aid	Local Sources	Total	
AOP Pilot Study at Plant 1	\$ 148,500	\$ 139,003	\$ 138,221	\$ 782	\$ 139,003	\$ -	\$	\$	\$ 139,003	\$ 139,003	\$ -
AOP Treatment at Plant 1	3,500,000	3,505,250	188,200	2,228,108	2,416,308	1,088,942			3,505,250	3,505,250	1,088,942
VOC Treatment at Plant 1	4,188,635	4,083,987	1,319,665	2,453,896	3,773,561	310,426		2,105,610	1,978,377	4,083,987	310,426
Roof Replacement at Plant 1		167,800		19,567	19,567	148,233			167,800	167,800	148,233
AOP Pilot Study at Plant 2	148,500	148,500	132,081	6,830	138,911	9,589			148,500	148,500	9,589
AOP Interim Treatment at Plant 2	6,146,750	1,994,509	472,205	1,429,899	1,902,104	92,405	234,449	1,749,785	10,275	1,994,509	92,405
AOP Permanent Treatment at Plant 2		4,152,366		36,900	36,900	4,115,466	2,212,351	1,940,015		4,152,366	4,115,466
AOP Pilot Study at Plant 3	165,500	165,500	149,809	15,691	165,500	-			165,500	165,500	-
AOP Interim Treatment at Plant 3	4,074,700	1,890,411	511,872	1,252,569	1,764,441	125,970	1,885,036		5,375	1,890,411	125,970
AOP Permanent Treatment at Plant 3		2,189,664			-	2,189,664	2,189,664			2,189,664	2,189,664
AOP Pilot Study at Plant 4		148,500		148,500	148,500	-			148,500	148,500	-
AOP Treatment at Plant 4		6,657,710		5,605	5,605	6,652,105	6,639,210		18,500	6,657,710	6,652,105
Plant 4 Nitrate & Perchlorate ISEP System	6,932,654	6,932,653	70,614		70,614	6,862,039	4,269,000	2,626,200	37,453	6,932,653	6,862,039
AOP Pilot Study at Plant 7	369,000	369,000	328,020	40,980	369,000	-		369,000		369,000	-
AOP Interim Treatment at Plant 7	8,998,710	4,450,000	1,278,723	2,897,192	4,175,915	274,085	4,438,070		11,930	4,450,000	274,085
AOP Permanent Treatment at Plant 7		4,560,640			-	4,560,640	4,560,640			4,560,640	4,560,640
Debt Issuance Costs		4,631		4,631	4,631	-	4,631			4,631	-
Unallocated 2019 Bond Funds	10,304,210	3,660,369			-	3,660,369	3,660,369			3,660,369	3,660,369
Totals	<u>\$ 44,977,159</u>	<u>\$ 45,220,493</u>	<u>\$ 4,589,410</u>	<u>\$ 10,541,150</u>	<u>\$ 15,130,560</u>	<u>\$ 30,089,933</u>	<u>\$ 30,093,420</u>	<u>\$ 8,790,610</u>	<u>\$ 6,336,463</u>	<u>\$ 45,220,493</u>	30,089,933
									Revenue not yet recognized:		
									Bond proceeds		(11,093,420)
									Grants		(5,191,711)
									General fund appropriations		(175,342)
									Fund Balance		<u>\$ 13,629,460</u>

