



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

December 31, 2021

PLAINVIEW WATER DISTRICT
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Plainview Water District as of December 31, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Plainview Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plainview Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plainview Water District 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plainview Water District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, 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 4 through 15 and 46 through 51, 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.

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 supplementary information on page 52 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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 2, 2022

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, 2021 in comparison with the year ended December 31, 2020, 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.

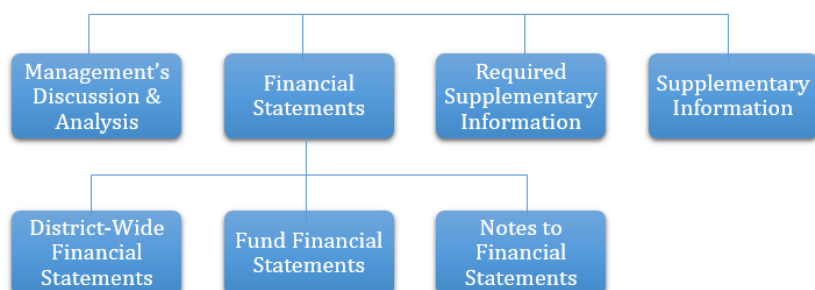
1. FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021 fiscal year are as follows:

- The District's total net position, as reflected in the district-wide financial statements, was \$28,573,728 at December 31, 2021. This balance represents an increase of \$3,332,297 (13.20%) 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 \$11,827,792 at December 31, 2021. This balance represents a \$2,697,935 (29.55%) increase 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 \$181,778, which represents the changes in inventory and prepaids.
 - Restricted fund balances increased by \$2,784,645, due to the establishment of the restricted for debt reserve, offset by the use of the capital reserve to cover capital expenditures.
 - Assigned fund balances decreased by \$400,596, as a result of the use of the emerging contaminants assignment for costs relating to the advanced oxidation process treatment projects, as well as a decrease in encumbrances.
 - Unassigned fund balance increased by \$131,983 to \$2,508,379.
- 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, 2021, the District issued \$19,000,000 in bond anticipation notes through the Town and \$11,093,420 remains as unissued. As of December 31, 2021, the District has expended 28.16% of these authorizations and the construction is ongoing.
- The District's 2021 property tax levy of \$5,563,163 was a 7.00% increase over the 2020 tax levy, which exceeded the tax cap of 2.50% and was approved by the Board of Commissioners. The increase in the tax levy was primarily due to increases in debt service and operating and maintenance costs related to the continued implementation of 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 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. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax and customer base, and the condition of the District's buildings, infrastructure, and other facilities.

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.

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

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 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 three individual governmental funds: general fund, debt service fund, and capital projects fund, each of which is considered to be a major fund and is 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 \$3,332,297 between fiscal year December 31, 2021 and 2020. 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>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets				
Current and other assets	\$ 25,726,333	\$ 24,114,637	\$ 1,611,696	6.68 %
Capital assets, net	<u>45,945,336</u>	<u>44,778,060</u>	<u>1,167,276</u>	2.61 %
Total Assets	<u>71,671,669</u>	<u>68,892,697</u>	<u>2,778,972</u>	4.03 %
Deferred Outflows of Resources	<u>3,306,974</u>	<u>2,710,809</u>	<u>596,165</u>	21.99 %
Liabilities				
Current and other liabilities	1,654,816	1,614,297	40,519	2.51 %
Long-term liabilities	29,715,474	30,895,038	(1,179,564)	(3.82)%
Net pension liability - proportionate share	3,814	1,167,730	(1,163,916)	(99.67)%
Total OPEB liability	<u>12,719,976</u>	<u>10,921,855</u>	<u>1,798,121</u>	16.46 %
Total Liabilities	<u>44,094,080</u>	<u>44,598,920</u>	<u>(504,840)</u>	(1.13)%
Deferred Inflows of Resources	<u>2,310,835</u>	<u>1,763,155</u>	<u>547,680</u>	31.06 %
Net Position				
Net investment in capital assets	30,993,605	26,221,959	4,771,646	18.20 %
Restricted	1,803,586	4,051,878	(2,248,292)	(55.49)%
Unrestricted (deficit)	<u>(4,223,463)</u>	<u>(5,032,406)</u>	<u>808,943</u>	(16.07)%
Total Net Position	<u><u>\$ 28,573,728</u></u>	<u><u>\$ 25,241,431</u></u>	<u><u>\$ 3,332,297</u></u>	13.20 %

The increase in current and other assets is principally related to increases in cash and inventory, offset by decreases in amounts due from state and federal, as well as amounts due from the Town of Oyster Bay.

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

The increase in capital assets, net is due to current year additions exceeding depreciation expense. The accompanying Notes to Financial Statements, Note 10 "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 other postemployment benefits (OPEB) plans that will be amortized in future years.

The increase in current and other liabilities is mainly due to increases in accounts payable, offset by a decrease in retainage payable, which is related to capital project activity.

The decrease in long-term liabilities is primarily due to 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 13 "Pension Plan – New York State", provides additional information.

The OPEB liability increased over the prior year, based on the actuarial valuation for the plan. The accompanying Notes to Financial Statements, Note 15 "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. The balance as of December 31, 2021, is computed as follows:

	Increase (Decrease)
Capital assets, net	\$ 45,945,336
Retainage payable	(23,555)
Bond anticipation notes payable	(19,000,000)
Bonds payable	(10,169,380)
Unspent BAN proceeds	14,241,204
	<u>\$ 30,993,605</u>

The restricted component of net position relates to the District's reserves for capital improvements and debt. 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.

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

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, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 4,633,523	\$ 4,572,685	\$ 60,838	1.33 %
Operating grants	878	2,634	(1,756)	(66.67)%
Capital grants	597,407	2,926,878	(2,329,471)	(79.59)%
General revenues				
Real property taxes	5,563,220	5,199,180	364,040	7.00 %
Other tax items	250,652	205,874	44,778	21.75 %
Use of money and property	55,192	143,511	(88,319)	(61.54)%
Other	330,612	1,833,408	(1,502,796)	(81.97)%
Total Revenues	<u>11,431,484</u>	<u>14,884,170</u>	<u>(3,452,686)</u>	(23.20)%
Expenses				
Program expenses				
Water administration	1,999,916	2,668,806	(668,890)	(25.06)%
Source of supply, power and pumping	1,146,595	1,023,980	122,615	11.97 %
Purification	1,881,066	1,714,981	166,085	9.68 %
Transmission and distribution	1,245,839	1,031,821	214,018	20.74 %
Debt service - interest	695,094	688,777	6,317	0.92 %
Depreciation	1,130,677	1,019,198	111,479	10.94 %
Total Expenses	<u>8,099,187</u>	<u>8,147,563</u>	<u>(48,376)</u>	(0.59)%
Total Change in Net Position	<u>\$ 3,332,297</u>	<u>\$ 6,736,607</u>	<u>\$ (3,404,310)</u>	(50.53)%

The District's net position increased by \$3,332,297 and \$6,736,607 for the years ended December 31, 2021 and 2020, respectively.

The net decrease in total revenues in 2021, as compared to 2020, was \$3,452,686, as shown above. The majority of this decrease was due to decreases in capital grants, and other revenues, offset mainly by the increase in real property tax. Capital grants in the prior year consisted of revenue recognized from New York State grants. The grants provided partial funding for the volatile organic compound (VOC) treatment at Plant 1, AOP treatment at Plant 2, and the AOP Pilot Study Plant 7 capital projects. The District received less grant funds in the current year, which resulted in the decrease. The decrease in other revenue is primarily due to the acquisition value of donated infrastructure assets in the prior year. The increase in real property taxes was in accordance with the 2021 budget, which was increased in anticipation of increases in debt service costs and operating costs related to the implementation of AOP treatment.

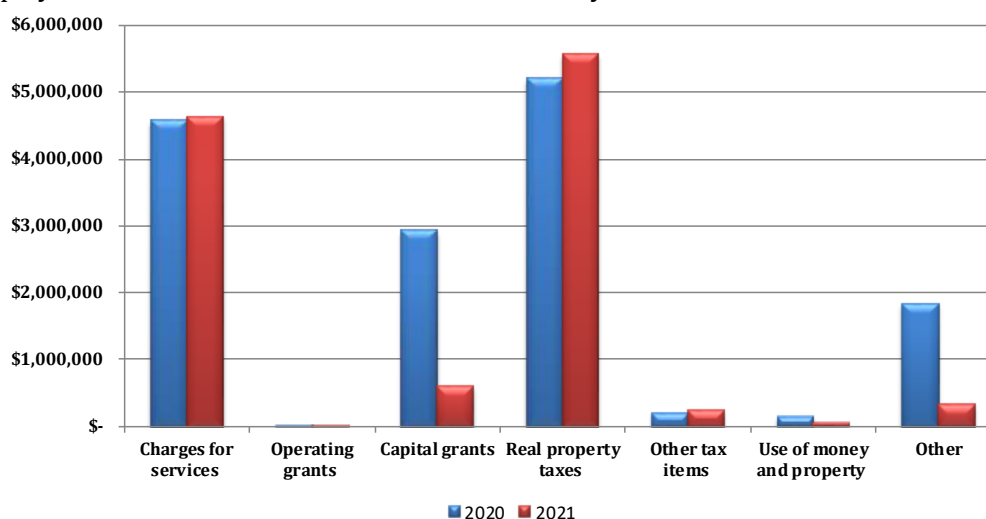
The District's expenses for the year decreased by \$48,376 or 0.59%. The majority of the changes were within water administration; source of supply, power and pumping; purification; and, transmission and distribution. The decrease in water administration is predominantly due to less engineering costs associated with AOP pilot testing. The increase in source of supply, power and pumping is due to the increase in electricity costs, as a result of the AOP systems being operational. The increase in purification is mainly due to an increase in water analysis testing and incurring additional costs for granular activated carbon (GAC) exchanges. In addition, the AOP systems were operational in the current year, which contributed to the

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

increase in costs. The increase in transmission and distribution is due to an increase in salary expenses and the purchase of meters.

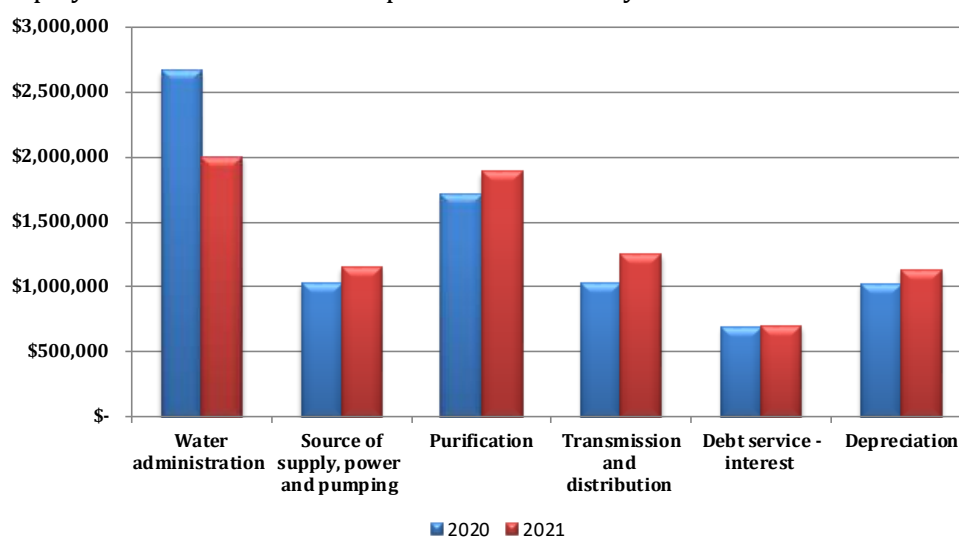
As graphically portrayed below, the District primarily relies on charges for services and real property taxes to support government operations. Collectively, they provided 89.20% and 65.65% of the District's revenues in fiscal years 2021 and 2020, respectively.

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
2020	30.72%	0.02%	19.66%	34.93%	1.38%	0.96%	12.33%
2021	40.53%	0.01%	5.23%	48.67%	2.19%	0.48%	2.89%

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
2020	32.76%	12.57%	21.05%	12.66%	8.45%	12.51%
2021	24.69%	14.16%	23.23%	15.38%	8.58%	13.96%

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

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of December 31, 2021, the governmental funds reported a combined fund balance of \$24,542,861, which is an increase of \$1,783,544 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. A summary of the change in the components of fund balance by fund is as follows:

	2021	2020	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable:				
Inventory	\$ 353,260	\$ 196,228	\$ 157,032	80.03 %
Prepays	220,409	195,663	24,746	12.65 %
Restricted:				
Capital	1,408,988	2,652,510	(1,243,522)	(46.88)%
Debt	4,028,292		4,028,292	100%
Assigned:				
Emerging contaminants	3,206,830	3,336,355	(129,525)	(3.88)%
Unappropriated fund balance	101,634	372,705	(271,071)	(72.73)%
Unassigned: Fund balance	2,508,379	2,376,396	131,983	5.55 %
	<u>11,827,792</u>	<u>9,129,857</u>	<u>2,697,935</u>	29.55 %
Capital Fund				
Restricted:				
Capital	82,029	1,399,368	(1,317,339)	(94.14)%
Unspent BAN proceeds	10,525,481	12,455,871	(1,930,390)	(15.50)%
Assigned: Unappropriated fund balance	2,107,559		2,107,559	100%
Unassigned: Fund balance (deficit)		(225,779)	225,779	100.00 %
	<u>12,715,069</u>	<u>13,629,460</u>	<u>(914,391)</u>	(6.71)%
 Total Governmental Funds				
Fund Balance	<u>\$ 24,542,861</u>	<u>\$ 22,759,317</u>	<u>\$ 1,783,544</u>	7.84 %

A. General Fund

The general fund is the principal operating fund of the District. For the year ended December 31, 2021, the fund balance increased by \$2,697,935, as revenues and other financing sources of \$15,610,463, exceeded expenditures and other financing uses of \$12,912,528. Revenues and other financing sources increased by \$5,261,581 (50.84%) over fiscal 2020. This increase was primarily due to increases in property taxes and other financing sources. The increase in real property taxes was in accordance with the 2021 budget. The increase in other financing sources was due to the District recognizing premiums on obligations and transferring unspent capital project funds from the capital projects fund to the general fund. A portion of these funds will be used to repay the outstanding bond anticipation notes.

Expenditures and other financing uses increased by \$5,583,464 or 76.18% over fiscal 2020 totals. This increase was, for the most part, due to increases in source of supply, power and pumping; purification; transmission and distribution; debt service; and, other financing uses. The increase in source of supply, power and pumping was due to the increase in electricity costs. The increase in purification is mainly due to an increase in water analysis testing and incurring additional costs for GAC exchanges. The increase in

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

transmission and distribution is due to increases in salaries and the purchase of additional water meters. The increase in debt service was due to additional interest paid on the \$19,000,000 in BANs that matured in March 2021. The increase in other financing uses is due to the District providing additional funding for capital projects.

The restricted fund balances increased by \$2,784,770 compared to the prior year. This increase is due to an increase in amounts restricted for debt from premiums of \$312,569 received on BANs, and the repayment of BAN proceeds of \$3,707,643 from the capital projects fund, and interest earned on BAN proceeds of \$8,080, each of which will be used towards debt service payments in 2022, and interest allocated to the capital improvement reserve in 2021. This was offset by use of the capital reserve to fund current capital projects.

In 2020, the District established and funded an assignment of fund balance for emerging contaminants in the amount of \$3,336,355. A portion of the assignment was used in 2021 to offset project costs specific to the removal of emerging containments (\$2,737,789) and the assignment was replenished at the end of the year (\$2,608,264).

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 a decrease of \$914,391. The District recognized \$1,131,985 in grant revenues, and an operating transfer in of \$5,182,027 to fund various projects. The District's capital projects expenditures of \$2,447,393 are for facility improvements and new water treatment infrastructure needed to treat water for various emerging contaminants in accordance with State mandated guidelines. Additionally, the District transferred \$4,776,386 to the general fund for unspent capital projects, which consisted of \$3,707,643 in BAN proceeds, which was used for the repayment of BANs as well as \$952,201 in capital reserve funds, \$111,917 related to the assignment for emerging contaminants, and \$4,625 in general fund appropriations. The District was able to receive grant funding and utilize the capital improvement reserve and fund balance assignment to fund projects.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021 Budget

The District's general fund approved budget for the year ended December 31, 2021 was \$10,210,403. This amount was increased by encumbrances carried forward from the prior year in the amount of \$372,705 and budget revisions of \$4,963,095 for a final budget of \$15,546,203.

The final budget was funded by \$5,713,163 in estimated property taxes and other tax items, \$4,493,256 in estimated program revenues, \$36,500 in other revenues, \$2,727,289 in appropriated fund balance, \$372,705 from encumbrances carried forward from the prior year, and \$2,203,290 in appropriated reserves.

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 current and prior years' excess revenues over expenditures, net of transfers to reserves and assignments, encumbrances 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:

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

Opening, Unassigned Fund Balance	\$ 2,376,396
Revenues Over Budget	5,367,544
Expenditures and Encumbrances Under Budget	2,532,041
Net Change in Nonspendable Fund Balance	(181,778)
Allocation to Restricted Reserves	(4,988,060)
Net Change in Assigned Fund Balance	<u>(2,597,764)</u>
Closing, Unassigned Fund Balance	<u>\$ 2,508,379</u>

Opening, Unassigned Fund Balance

The \$2,376,396 shown in the table is the District's December 31, 2020 unassigned fund balance.

Revenues Over Budget

The 2021 final budget for revenues was \$10,242,919. Actual revenues and other financing sources recognized for the year were \$15,610,463. The excess of actual revenues over estimated or budgeted revenues was \$5,367,544. This change contributes directly to the change in the unassigned portion of the general fund-fund balance from December 31, 2020 to December 31, 2021. 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 2021 final budget for expenditures and other financing uses was \$15,546,203. Actual expenditures and other financing uses for the year were \$12,912,528 and outstanding encumbrances were \$101,634. Combined, the expenditures and encumbrances for 2021 were \$13,014,162. The District's expenditures budget was under spent by \$2,532,041, this under expenditure contributes to the change to the unassigned portion of the general fund-fund balance from December 31, 2020 to December 31, 2021. 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, 2021. 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 Restricted 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 \$(4,988,060) shown in the previous table represents a transfer to the capital reserve of \$952,201, amounts restricted for debt of \$4,028,292 (\$3,707,643 of unspent BAN proceeds, \$312,569 in premiums from the BANs, and \$8,080 of interest earning on BAN proceeds), plus interest earnings of \$7,567.

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

Net Change in Assigned Fund Balance

The \$2,597,764 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, 2021.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the District will begin the 2022 fiscal year with an unassigned fund balance of \$2,508,379. This is an increase of \$131,983 in the unassigned balance from the prior year.

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

A. Capital Assets

At December 31, 2021 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 \$2,297,953 in excess of depreciation expense of \$1,130,677 recorded for the year. A summary of the District's capital assets, net of accumulated depreciation at December 31, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Land	\$ 302,792	\$ 302,792	\$ -
Construction work in progress	1,249,467	14,683,292	(13,433,825)
Buildings and improvements	9,391,073	9,598,500	(207,427)
Furniture and equipment	644,690	609,971	34,719
Infrastructure	34,131,834	19,414,227	14,717,607
Vehicles	170,195	102,269	67,926
Software	55,285	67,009	(11,724)
Capital assets, net	<u>\$ 45,945,336</u>	<u>\$ 44,778,060</u>	<u>\$ 1,167,276</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 needed to implement treatment for the removal of 1,4 Dioxane. As of December 31, 2021, the District has expended approximately 28.16% of the authorization and the construction is on-going.

B. Debt Administration

At December 31, 2021, the District had total long-term debt of \$29,169,380. The bond anticipation notes and bonds were issued for major improvements to the District's infrastructure and facilities. The decrease in outstanding debt resulted from principal payments made during the current year. A summary of the outstanding debt at December 31, 2021 and 2020 is as follows:

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

Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Bond Anticipation Notes Payable				
2021	2.00%	\$ 19,000,000	\$	\$ 19,000,000
2020	1.25 - 2.00%		19,000,000	(19,000,000)
		<u>\$ 19,000,000</u>	<u>\$ 19,000,000</u>	<u>\$ -</u>
Bonds payable				
2014	2.00 - 5.00%	\$	\$ 3,630,000	\$ (3,630,000)
2014	2.00 - 5.00%	107,980	140,427	(32,447)
2014	3.25 - 4.00%	5,029,000	5,455,000	(426,000)
2018	2.00 - 5.00%	1,493,270	1,707,467	(214,197)
2018	2.00 - 5.00%	317,130	371,712	(54,582)
2018	3.00 - 4.00%	251,000	268,000	(17,000)
2018	3.00 - 4.00%	56,000	60,000	(4,000)
2021	2.00 - 4.00%	2,915,000		2,915,000
		<u>\$ 10,169,380</u>	<u>\$ 11,632,606</u>	<u>\$ (1,463,226)</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 \$25,524,420 for improvements to Plants No. 2, 3, 4 and 7, to treat for 1,4 Dioxane. As of December 31, 2021, the District issued \$19,000,000 in bond anticipation notes through the Town and \$11,093,420 remains unissued.

Additional information on the District's debt can be found in Note 12 "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, which are based on employment contracts, and net pension liability - proportionate share and total other postemployment benefits liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at December 31, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Compensated absences payable	\$ 236,138	\$ 262,432	\$ (26,294)
Net pension liability - proportionate share	3,814	1,167,730	(1,163,916)
Total other postemployment benefits liability	12,719,976	10,921,855	1,798,121
	<u>\$ 12,959,928</u>	<u>\$ 12,352,017</u>	<u>\$ 607,911</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Commissioners adopted the District's 2022 budget on September 14, 2021. The District expects to maintain the same quality level of service to its taxpayers and customers that it has historically provided. The 2022 budget of \$10,814,842 represents a \$604,439 (5.92%) increase over the 2021 budget. The majority of this increase is due to the District increasing the budget for debt service to pay down bond anticipation notes related to capital project expenditures. Partial funding for the budget will be provided by estimated non-property tax revenues of \$5,112,600, which is an increase of \$465,360 (10.01%) over 2021. The real property tax levy of \$5,702,242 will provide the balance of the funding for the budget, which is an increase of \$139,079 (2.50%) over 2021.

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

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 budget for 2022 includes \$4,428,000 for metered water sales. 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)
2021	1,661	\$ 4,030
2020	1,653	4,016
2019, as restated	1,682	3,959
2018	1,635	3,870
2017	1,660	3,780

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 2022 is 2.52%. The District's tax levy increase of 2.50% was less than the tax cap and did not require an override vote.

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, 2021

ASSETS

Cash	
Unrestricted	\$ 7,118,330
Restricted	5,519,184
Receivables	
Accounts receivable	936,629
Due from New York State	381,611
Due from other governments	106,589
Due from primary government	11,090,321
Inventory	353,260
Prepays	220,409
Capital assets not being depreciated	1,552,259
Capital assets being depreciated, net of accumulated depreciation	<u>44,393,077</u>
 Total Assets	 <u>71,671,669</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	941,880
Other postemployment benefits	<u>2,365,094</u>
 Total Deferred Outflows of Resources	 <u>3,306,974</u>

LIABILITIES

Payables	
Accounts payable	1,011,385
Accrued liabilities	503,625
Retainage payable	23,555
Guarantee and bid deposits	76,156
Unearned credits - collections in advance	40,095
Long-term liabilities	
Due within one year	
Bond anticipation notes payable	4,257,500
Bonds payable, net	1,216,836
Compensated absences payable	66,786
Due after one year	
Bond anticipation notes payable	14,742,500
Bonds payable, net	9,262,500
Compensated absences payable	169,352
Net pension liability - proportionate share	3,814
Total other postemployment benefits liability	<u>12,719,976</u>
 Total Liabilities	 <u>44,094,080</u>

DEFERRED INFLOWS OF RESOURCES

Pension	1,205,703
Other postemployment benefits	<u>1,105,132</u>
 Total Deferred Inflows of Resources	 <u>2,310,835</u>

NET POSITION

Net investment in capital assets	30,993,605
Restricted:	
Capital	1,491,017
Debt service	312,569
Unrestricted (deficit)	<u>(4,223,463)</u>
 Total Net Position	 <u><u>\$ 28,573,728</u></u>

PLAINVIEW WATER DISTRICT
Statement of Activities
For the Year Ended December 31, 2021

Program Revenues	
Charges for services	\$ 4,633,523
Operating grants	878
Capital grants	<u>597,407</u>
Total Program Revenues	<u>5,231,808</u>
Program Expenses	
Home and community services	
<i>Water supply services</i>	
Water administration	1,999,916
Source of supply, power and pumping	1,146,595
Purification	1,881,066
Transmission and distribution	1,245,839
Debt service - interest	695,094
Depreciation	<u>1,130,677</u>
Total Program Expenses	<u>8,099,187</u>
Net Revenue (Expense)	<u>(2,867,379)</u>
General Revenues	
Real property taxes	5,563,220
Other tax items	250,652
Use of money and property	55,192
Sale of property and compensation for loss	18,030
Miscellaneous	<u>312,582</u>
Total General Revenues	<u>6,199,676</u>
Change in Net Position	3,332,297
Net Position - Beginning of Year	<u>25,241,431</u>
Net Position - End of Year	<u><u>\$ 28,573,728</u></u>

PLAINVIEW WATER DISTRICT
Balance Sheet - Governmental Funds
December 31, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash				
Unrestricted	\$ 4,857,295	\$	\$ 2,261,035	\$ 7,118,330
Restricted	5,437,155		82,029	5,519,184
Receivables				
Accounts receivable	936,629			936,629
Due from other funds			23,208	23,208
Due from New York State			381,611	381,611
Due from other governments	106,589			106,589
Due from primary government	500,715		10,589,606	11,090,321
Inventory	353,260			353,260
Prepays	220,409			220,409
Total Assets	<u>\$ 12,412,052</u>	<u>\$ -</u>	<u>\$ 13,337,489</u>	<u>\$ 25,749,541</u>
LIABILITIES				
Payables				
Accounts payable	\$ 428,965	\$	\$ 582,420	\$ 1,011,385
Accrued liabilities	15,836		40,000	55,836
Due to other funds	23,208			23,208
Guarantee and bid deposits	76,156			76,156
Unearned credits collections in advance	40,095			40,095
Total Liabilities	<u>584,260</u>	<u>-</u>	<u>622,420</u>	<u>1,206,680</u>
FUND BALANCES				
Nonspendable:				
Inventory	353,260			353,260
Prepays	220,409			220,409
Restricted:				
Capital	1,408,988		82,029	1,491,017
Debt	4,028,292			4,028,292
Unspent BAN proceeds			10,525,481	10,525,481
Assigned:				
Emerging contaminants	3,206,830			3,206,830
Unappropriated fund balance	101,634		2,107,559	2,209,193
Unassigned: Fund balance	2,508,379			2,508,379
Total Fund Balances	<u>11,827,792</u>	<u>-</u>	<u>12,715,069</u>	<u>24,542,861</u>
Total Liabilities and Fund Balances	<u>\$ 12,412,052</u>	<u>\$ -</u>	<u>\$ 13,337,489</u>	<u>\$ 25,749,541</u>

PLAINVIEW WATER DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Governmental Fund Balances \$ 24,542,861

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, 2021, were:

Original cost of capital assets	\$ 64,103,275	
Less: Accumulated depreciation	<u>(18,157,939)</u>	45,945,336

Proportionate share of long-term liability, as well as 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	941,880	
Net pension liability	(3,814)	
Deferred inflows of resources	<u>(1,205,703)</u>	(267,637)

Total other postemployment benefits liability, as well as 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	2,365,094	
Total other postemployment benefits liability	(12,719,976)	
Deferred inflows of resources	<u>(1,105,132)</u>	(11,460,014)

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	(447,789)	
Retainage payable	(23,555)	
Bond anticipation notes payable	(19,000,000)	
Bonds payable, net	(10,479,336)	
Compensated absences payable	<u>(236,138)</u>	<u>(30,186,818)</u>

Total Net Position		<u><u>\$ 28,573,728</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, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Real property taxes	\$ 5,563,220	\$	\$	\$ 5,563,220
Other tax items	250,652			250,652
Program revenues	4,633,523			4,633,523
Use of money and property	55,192			55,192
Sale of property and compensation for loss	18,030			18,030
Miscellaneous	13			13
State sources			1,131,985	1,131,985
Federal sources	878			878
	<u>10,521,508</u>	<u>-</u>	<u>1,131,985</u>	<u>11,653,493</u>
Expenditures				
Water administration	1,179,821	28,630	4,624	1,213,075
Source of supply, power and pumping	1,141,971			1,141,971
Purification	1,406,519			1,406,519
Transmission and distribution	925,278			925,278
Employee benefits	1,233,518			1,233,518
Debt service				
Principal	1,142,226			1,142,226
Interest	701,168	44,542		745,710
Capital outlay			2,447,393	2,447,393
	<u>7,730,501</u>	<u>73,172</u>	<u>2,452,017</u>	<u>10,255,690</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,791,007</u>	<u>(73,172)</u>	<u>(1,320,032)</u>	<u>1,397,803</u>
Other Financing Sources and (Uses)				
Premium on obligations	312,569	394,172		706,741
Proceeds of debt		2,915,000		2,915,000
Payment to escrow agent		(3,236,000)		(3,236,000)
Operating transfers in	4,776,386		5,182,027	9,958,413
Operating transfers (out)	(5,182,027)		(4,776,386)	(9,958,413)
	<u>(93,072)</u>	<u>73,172</u>	<u>405,641</u>	<u>385,741</u>
Net Change in Fund Balances	2,697,935	-	(914,391)	1,783,544
Fund Balances - Beginning of Year	9,129,857		13,629,460	22,759,317
Fund Balances - End of Year	<u>\$ 11,827,792</u>	<u>\$ -</u>	<u>\$ 12,715,069</u>	<u>\$ 24,542,861</u>

PLAINVIEW WATER DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Net Change in Fund Balances \$ 1,783,544

Long-term Revenue and Expense Differences

Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned. \$ (534,578)

Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.

Decrease in compensated absences 26,294
(508,284)

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. This is the amount by which capital outlays and other additions exceeded depreciation in the period.

Capital outlays and other additions 2,297,953
Depreciation expense (1,130,677)
1,167,276

Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the government funds until it is due and payable because it does not require the use of current financial resources, but it is a liability in the Statement of Net Position. This is the amount by which retainage payable decreased from December 31, 2020 to December 31, 2021.

355,811
1,523,087

Long-Term Debt Transactions

Proceeds and premium from the issuance of public improvement refunding (serial) bonds are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities. (3,309,172)

Payment to escrow agent is an other financing use in the governmental funds, but it decreases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 3,236,000

The amortization of the deferred premium on the current refunding of bonds, decreases interest expense in the Statement of Activities. 84,216

Repayments of bond and long-term BAN principal are expenditures in the governmental funds, but it reduce long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities. 1,142,226

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, 2020 to December 31, 2021.

(33,600)
1,119,670

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 129,843
Other postemployment benefits (715,563)
(585,720)

Change in Net Position of Governmental Activities \$ 3,332,297

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.

Debt Service Fund: This fund is used to account for the refunding of a portion of the District's outstanding serial bonds.

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 funds 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,

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 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 \$148,293 in LIPA PILOT revenue during the 2021 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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 revenue availability, compensated absences, pension costs, other postemployment benefits, 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, 2021.

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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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	10-50 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 the change in the total other postemployment benefits liability 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, 2021; however, these BANs were renewed prior to the financial statements being issued and were treated as long-term liabilities.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

O. Guarantee and Bid Deposits

Guarantee and bid deposits represent funds advanced from real estate developers for the installation of new water mains and connections to the District's water distribution system.

P. 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.

Q. Employee Benefits - Compensated Absences

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

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.

R. 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

S. 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 two items that qualify for reporting in this category. The first item is related to pension amounts reported in the district-wide Statement of Net Position and consists of the District's proportionate share of the change in the collective net pension liability not included in the collective pension expense. The second item is related to OPEB reported in the district-wide statement of net position and represents the change in the total other postemployment benefits liability not included in OPEB expense.

T. 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 – 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.

Restricted for Debt – Unexpended balances of proceeds of borrowing for capital projects, interest and earnings from investing proceeds of obligations, and premiums and accrued interest on long-term borrowings are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts are accounted for in the general fund.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted Unspent BAN Proceeds – Unspent long-term BAN 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.

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 of Commissioners will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

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 the statement that the District feels may have a future impact on these financial statements. The District will evaluate the impact of this pronouncement and implement it, 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 THE DISTRICT-WIDE STATEMENTS AND THE 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 health insurance premiums and 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

- 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 of Commissioners approves them because of a need that exists which was not determined at the time the budget was adopted. The District had the following supplemental appropriations during the year:

Budget Revisions

Interfund Transfers Funded by

Restricted Fund Balances

Plant 3 interim AOP	<u>\$ 2,203,290</u>
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Interfund Transfers Funded by

Assigned Fund Balances

Plant 2 interim AOP	372,767
Plant 2 permanent AOP	2,175,451
Plant 3 interim AOP	33,071
Plant 7 permanent AOP	<u>146,000</u>
	<u>2,727,289</u>

Funded by Construction Water Charges

Service installs	<u>32,516</u>
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Total Budget Revisions	<u><u>\$ 4,963,095</u></u>
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- 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Restricted Fund Balance

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

	Beginning Balance	Interest Earned	Funding	Use of Reserve	Ending Balance
General Fund					
Capital	\$ 2,652,510	\$ 7,567	\$ 952,201	\$(2,203,290)	\$ 1,408,988
Debt Service			4,028,292		4,028,292
Capital Projects Fund					
Capital	1,399,368		2,203,290	(3,520,629)	82,029
Unspent BAN proceeds	12,455,871			(1,930,390)	10,525,481
	<u>\$ 16,507,749</u>	<u>\$ 7,567</u>	<u>\$ 7,183,783</u>	<u>\$(7,654,309)</u>	<u>\$ 16,044,790</u>

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 securities and 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2021 consisted of:

Metered water sales, unbilled	\$ 715,833
Metered water sales, billed	210,755
Miscellaneous	<u>10,041</u>
	<u>\$ 936,629</u>

District management expects these amounts to be fully collectible.

7. DUE FROM NEW YORK STATE

Due from New York State at December 31, 2021 consisted of:

New York State WIIA Grant - 2019	<u>\$ 381,611</u>
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District management expects these amounts to be fully collectible.

8. DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2021 consisted of:

Water liens	<u>\$ 106,589</u>
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District management expects these amounts to be fully collectible.

9. DUE FROM PRIMARY GOVERNMENT

Due from primary government at December 31, 2021 consisted of:

General Fund

Town of Oyster Bay

Premiums and interest on obligations \$ 380,022

Payments in lieu of taxes 120,400

Interest 293

500,715

Capital Projects Fund

Town of Oyster Bay

BAN proceeds held by Town 10,589,606

\$ 11,090,321

District management expects these amounts to be fully collectible.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

10. CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2021 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	14,683,292	2,470,948	(15,904,773)	1,249,467
Total capital assets not being depreciated	14,986,084	2,470,948	(15,904,773)	1,552,259
Capital assets being depreciated:				
Buildings and improvements	17,292,879	183,475		17,476,354
Furniture and equipment	1,584,447	166,671	(24,341)	1,726,777
Infrastructure	27,386,410	15,291,599		42,678,009
Vehicles	532,709	90,033	(41,314)	581,428
Software	88,448			88,448
Total capital assets being depreciated	46,884,893	15,731,778	(65,655)	62,551,016
Less accumulated depreciation for:				
Buildings and improvements	7,694,379	390,902		8,085,281
Furniture and equipment	974,476	131,952	(24,341)	1,082,087
Infrastructure	7,972,183	573,992		8,546,175
Vehicles	430,440	22,107	(41,314)	411,233
Software	21,439	11,724		33,163
Total accumulated depreciation	17,092,917	1,130,677	(65,655)	18,157,939
Total capital assets being depreciated, net	29,791,976	14,601,101	-	44,393,077
Capital assets, net	\$ 44,778,060	\$ 17,072,049	\$ (15,904,773)	\$ 45,945,336

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, 2021, the District has not recorded any such impairment losses.

Depreciation expense totaled \$1,130,677 and was charged to home and community services – water supply services.

11. INTERFUND TRANSACTIONS

Interfund balances and activities at December 31, 2021 are as follows:

	Interfund			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$	\$ 23,208	\$ 4,776,386	\$ 5,182,027
Capital Projects Fund	23,208		5,182,027	4,776,386
Total governmental activities	\$ 23,208	\$ 23,208	\$ 9,958,413	\$ 9,958,413

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 and assignment for emerging contaminants as well as unspent BAN proceeds and related interest earnings.

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

12. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activities, excluding pension and other postemployment benefits liabilities, for the year ended December 31, 2021, are summarized as follows:

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Amounts Due Within One Year
<u>Long-term debt:</u>					
BANs payable	\$ 19,000,000	\$ 19,000,000	\$(19,000,000)	\$ 19,000,000	\$ 4,257,500
Bonds payable	11,632,606	2,915,000	(4,378,226)	10,169,380	1,137,848
Add: Premium on refunding		394,172	(84,216)	309,956	78,988
<u>Other long-term liabilities:</u>					
Compensated absences	262,432	58,511	(84,805)	236,138	66,786
	<u>\$ 30,895,038</u>	<u>\$ 22,367,683</u>	<u>\$(23,547,247)</u>	<u>\$ 29,715,474</u>	<u>\$ 5,541,122</u>

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

B. Bond Anticipation Notes Payable

Bond anticipation notes payable is comprised of the following:

	Maturity	Stated Interest Rate	Balance 12/31/20	Issued	Redeemed	Balance 12/31/21
BAN	3/12/2021	1.25 - 2.00%	\$ 19,000,000	\$	\$(19,000,000)	\$ -
BAN	3/11/2022	2.00%	-	19,000,000		19,000,000
			<u>\$ 19,000,000</u>	<u>\$ 19,000,000</u>	<u>\$(19,000,000)</u>	<u>\$ 19,000,000</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Bonds Payable

Bonds payable is comprised of the following:

	Issue Date	Final Maturity	Interest Rate	Outstanding at Year-End 12/31/21
Public improvement				
Refunding serial bonds (2006)	2014	2024	2.00 - 5.00%	\$ 107,980
Serial bonds	2014	2031	3.25 - 4.00%	5,029,000
Refunding serial bonds (2008)	2018	2027	2.00 - 5.00%	1,493,270
Refunding serial bonds (2010)	2018	2026	2.00 - 5.00%	317,130
Serial bonds	2018	2033	3.00 - 4.00%	251,000
Serial bonds	2018	2033	3.00 - 4.00%	56,000
Refunding serial bonds (2014)	2021	2028	2.00 - 4.00%	2,915,000
				<u>\$10,169,380</u>

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

<u>Year Ending December 31,</u>	Principal	Interest	Total
2022	\$ 1,137,848	\$ 371,956	\$ 1,509,804
2023	1,181,605	329,777	1,511,382
2024	1,231,018	283,605	1,514,623
2025	1,234,830	237,090	1,471,920
2026	1,281,103	190,786	1,471,889
2027 - 2031	4,042,976	394,736	4,437,712
2032 - 2033	60,000	2,331	62,331
	<u>\$ 10,169,380</u>	<u>\$ 1,810,281</u>	<u>\$ 11,979,661</u>

D. Current 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 interest rates ranging from 3.0% to 4.0%. The net proceeds were used to pay \$3,236,000 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 \$358,420.

As part of the refunding, the District received premiums that are being amortized as a component of interest expense on weighted-average basis over the life of the bonds in the district-wide statements as follows:

<u>Year Ending December 31,</u>	Amortization of Premium
2022	\$ 78,988
2023	68,312
2024	57,132
2025	45,388
2026	33,080
2027 - 2028	27,056
	<u>\$ 309,956</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Interest Expense

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

Interest paid	\$ 745,710
Less: interest accrued in the prior year	(414,189)
Plus: interest accrued in the current year	447,789
Less: amortization of deferred premiums	<u>(84,216)</u>
Total expense	<u>\$ 695,094</u>

F. 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, 2021, the District issued \$19,000,000 in bond anticipation notes through the Town and \$11,093,420 remains unissued.

13. 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 defined benefit, 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 13.88% of covered payroll for the ERS' fiscal year ending March 31, 2021.

The District's share of the required contributions, based on covered payroll for the District's year ended December 31, 2021, was \$200,162 at an average contribution rate of 15.04%.

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

At December 31, 2021, 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, 2021. 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, 2021
District's proportionate share of the net pension liability	\$ 3,814
District's portion of the Plan's total net pension liability	0.0038306%
Change in proportion since the prior measurement date	(0.0005792)

For the year ended December 31, 2021, the District recognized pension expense of \$70,319 for ERS. At December 31, 2021, 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	\$ 46,583	\$
Changes in assumptions	701,323	13,227
Net difference between projected and actual earnings on pension plan investments		1,095,686
Changes in proportion and differences between the District's contributions and proportionate share of contributions	37,936	96,790
District contributions subsequent to the measurement date	156,038	
Total	<u>\$ 941,880</u>	<u>\$ 1,205,703</u>

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2022	\$ (82,089)
2023	(40,911)
2024	(76,513)
2025	(220,348)
	<u>\$ (419,861)</u>

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, 2021
Actuarial valuation date	April 1, 2020
Inflation	2.7%
Salary increases	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected 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 Real Rate of Return
Measurement date		March 31, 2021
Asset type		
Domestic equity	32.0%	4.05 %
International equity	15.0%	6.30 %
Real estate	9.0%	4.95 %
Private equities	10.0%	6.75 %
Alternative investments	10.0%	3.63-5.95%
Bonds and mortgages	23.0%	0.00 %
Cash	1.0%	0.50 %
	<u>100.0%</u>	

Real rates of return are net of a long-term inflation assumption of 2.0%.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% (the discount used at the prior year's measurement date of March 31, 2020, was 6.80%). 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 5.90%, 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 (4.90%) or 1 percentage point higher (6.90%) than the current rate:

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	\$ (1,058,697)	\$ (3,814)	\$ 969,034

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:

	(Dollars in Thousands)
Measurement date	March 31, 2021
Employers' total pension liability	\$ (220,680,157)
Plan fiduciary net position	<u>220,580,583</u>
Employers' net pension liability	<u>\$ (99,574)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	99.95%

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 \$52,013 for the period of January 1, 2022 through March 31, 2022. Employee contributions are remitted monthly.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. 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, 2021 totaled \$93,121.

15. 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 January 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>19</u>
	<u><u>36</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$12,719,976 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

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	2.06%	
Healthcare cost trend rates	6.50%	for 2021, decreasing to an ultimate rate of 5.00% by 2025
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, 2021 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-2021.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study as of the valuation date projected to December 31, 2021.

C. Changes in the Total OPEB Liability

Balance at December 31, 2020	<u>\$ 10,921,855</u>
Changes for the year	
Service cost	585,470
Interest	265,059
Differences between expected and actual experience	1,309,018
Changes in assumptions or other inputs	(28,236)
Benefit payments	<u>(333,190)</u>
	<u>1,798,121</u>
Balance at December 31, 2021	<u><u>\$ 12,719,976</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.06% in 2021.

The plan had an accumulated experience loss over the past two years primarily due to post-65 healthcare costs increasing more than assumed. The mortality table has been updated to reflect an updated projection scale. The healthcare cost trend rate was reset to 7.0% in 2021, grading down to 0.5% per annum to an ultimate rate of 5.0% in years 2025 and later.

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 (1.06%) or 1 percentage point higher (3.06%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
OPEB	1.06%	2.06%	3.06%
Total OPEB liability	<u>\$ (14,987,840)</u>	<u>\$ (12,719,976)</u>	<u>\$ (10,927,946)</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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
OPEB	5.50% decreasing to 4.00%	6.50% decreasing to 5.00%	7.50% decreasing to 6.00%
Total OPEB liability	<u>\$ (10,965,379)</u>	<u>\$ (12,719,976)</u>	<u>\$ (14,965,069)</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, 2021, the District recognized OPEB expense of \$1,048,752. At December 31, 2021, 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	\$ 1,077,742	\$ 797,139
Changes of assumptions	1,287,352	307,993
Total	<u>\$ 2,365,094</u>	<u>\$ 1,105,132</u>

Other 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
2022	\$ 198,223
2023	295,689
2024	390,416
2025	226,287
2026	149,347
	<u>\$ 1,259,962</u>

16. 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, 2021. The District received payments in lieu of taxes (PILOT) payments totaling \$102,359.

The District also recognized \$148,293 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*.

17. 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 reasonable 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

18. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

At December 31, 2021, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance	
General Fund	
Water Administration	\$ 2,345
Purification	7,397
Transmission and Distribution	81,892
Other Financing Uses	<u>10,000</u>
	<u>\$ 101,634</u>

B. Grants

The District has received grants, which are subject to audit agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. The District's administration believes disallowances, if any, would be immaterial.

C. 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.

D. 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>
2022	<u>\$ 3,565</u>

19. 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:

A. Issuance of Bond Anticipation Notes

On March 10, 2022, the Town of Oyster Bay issued bond anticipation notes on behalf of the District in the amount of \$14,742,500, which mature on March 9, 2023, and bear an interest rate of 3.00%. These bond anticipation notes, along with \$4,257,500 in general fund appropriations, were used to pay \$19,000,000 in outstanding bond anticipation notes.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Bond Refunding

On May 11, 2022, the Town of Oyster Bay on behalf of the District issued \$4,261,000 in public improvement refunding (serial) bonds with an interest rate of 5.00%. The net proceeds (the par amount plus premium of \$437,110, less underwriter's fees, insurance and other issuance costs of \$33,945) were used to refund outstanding 2014 public improvement serial bonds with an interest rates ranging from 3.25% to 4.00%. The net proceeds were used to pay \$4,590,000 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 \$123,439.

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Real property taxes	\$ 5,563,163	\$ 5,563,163	\$ 5,563,220	\$ 57
Other tax items	150,000	150,000	250,652	100,652
Program revenues				
Metered water sales	3,950,000	3,950,000	4,030,191	80,191
Construction water charges	125,540	158,056	201,445	43,389
Hydrant rentals	116,800	116,800	117,000	200
Sprinkler fees	133,400	133,400	136,400	3,000
Miscellaneous charges	75,000	75,000	74,435	(565)
Penalties on water sales	60,000	60,000	74,052	14,052
Total program revenues	4,460,740	4,493,256	4,633,523	140,267
Use of money and property	30,000	30,000	55,192	25,192
Sale of property and compensation for loss				
Insurance recoveries	5,000	5,000	3,081	(1,919)
Sale of equipment	1,000	1,000	10,850	9,850
Sales of scrap and excess materials	250	250	4,099	3,849
Sales of water supplies	250	250		(250)
Total sale of property and compensation for loss	6,500	6,500	18,030	11,530
Miscellaneous				
Other unclassified revenue			13	13
Federal sources	-	-	878	878
Total Revenues	10,210,403	10,242,919	10,521,508	278,589
Other Financing Sources				
Premium on obligations			312,569	312,569
Operating transfers in			4,776,386	4,776,386
Total Other Financing Sources	-	-	5,088,955	5,088,955
Total Revenues and Other Sources	10,210,403	10,242,919	15,610,463	\$ 5,367,544
Appropriated Fund Balance				
Prior Years' Surplus		2,727,289		
Prior Year's Encumbrances	372,705	372,705		
Appropriated Reserves		2,203,290		
Total Appropriated Fund Balance	372,705	5,303,284		
Total Revenues, Other Sources and Appropriated Fund Balance	\$ 10,583,108	\$ 15,546,203		

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, 2021

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
Water Administration					
Superintendent	\$ 162,750	\$ 162,750	\$ 160,114	\$	\$ 2,636
Office salaries	333,150	333,150	328,506		4,644
Commissioners fees	72,000	72,000	67,800		4,200
Utilities - telephone	50,000	53,500	48,970		4,530
Computer equipment	67,000	47,000	26,514		20,486
Office expense	56,967	56,666	40,555	695	15,416
Postage	50,000	50,000	44,305		5,695
Professional fees	295,222	295,223	255,503	1,650	38,070
Insurance	133,500	133,500	127,327		6,173
Conferences and dues expenses	40,000	33,000	16,445		16,555
Election expense	3,500	7,000	6,188		812
Building maintenance	43,056	61,556	55,551		6,005
MTA tax	1,200	3,000	2,043		957
Total Water Administration	<u>1,308,345</u>	<u>1,308,345</u>	<u>1,179,821</u>	<u>2,345</u>	<u>126,179</u>
Source of Supply, Power & Pumping					
Diesel and natural gas	40,000	40,000	24,356		15,644
Electricity	1,550,000	1,550,000	1,117,615		432,385
Total Source of Supply, Power & Pumping	<u>1,590,000</u>	<u>1,590,000</u>	<u>1,141,971</u>	<u>-</u>	<u>448,029</u>
Purification					
Salaries	593,000	593,000	502,105		90,895
Treatment - Lime	125,000	125,000	85,725	759	38,516
Treatment - Chlorine	60,000	60,000	53,196		6,804
Treatment - Peroxide	150,000	150,000	55,188		94,812
Treatment - Analysis	215,000	340,000	315,286	3,800	20,914
Treatment - G.A.C.	450,000	240,000	163,751		76,249
Tools and supplies	50,000	50,000	41,552		8,448
Repairs	604,289	584,289	145,297	2,838	436,154
Ground maintenance	46,000	61,000	44,419		16,581
Total Purification	<u>2,293,289</u>	<u>2,203,289</u>	<u>1,406,519</u>	<u>7,397</u>	<u>789,373</u>
Transmission and Distribution					
Salaries	505,450	505,450	400,430		105,020
Road restoration	65,000	65,000	54,490		10,510
Mains and hydrants	131,833	162,848	44,587	13,536	104,725
Valve repair	35,000	34,000	(5,761)		39,761
Service installs	30,049	30,049	23,054	6,622	373
Auto expense	195,361	187,961	130,130	24,138	33,693
Uniforms	7,156	8,156	7,417		739
Tools and equipment	21,867	30,768	26,643	251	3,874
Purchase of meters	239,925	239,925	181,325	37,345	21,255
Distribution services	79,500	79,500	62,963		16,537
Total Transmission and Distribution	<u>1,311,141</u>	<u>1,343,657</u>	<u>925,278</u>	<u>81,892</u>	<u>336,487</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, 2021

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Employee Benefits					
NYS employees' retirement system	\$ 214,859	\$ 211,310	\$ 200,162	\$	\$ 11,148
Social security	128,004	127,503	109,541		17,962
Workers' compensation	90,000	90,000	71,957		18,043
Unemployment	2,500	2,500			2,500
Life insurance premiums	6,000	6,500	6,080		420
Disability insurance	2,000	5,500	5,350		150
NYS health insurance plan	715,000	707,000	659,002		47,998
Dental plan	85,000	85,000	83,537		1,463
Optical plan	25,000	25,000	17,777		7,223
Medicare reimbursement	35,000	43,000	42,412		588
Supplemental insurance	37,500	37,500	37,280		220
Flex spending plan fees	500	500	420		80
Total Employee Benefits	<u>1,341,363</u>	<u>1,341,313</u>	<u>1,233,518</u>	<u>-</u>	<u>107,795</u>
Debt Service					
Principal	1,142,226	1,142,226	1,142,226		-
Interest	<u>748,764</u>	<u>748,814</u>	<u>701,168</u>		<u>47,646</u>
Total Debt Service	<u>1,890,990</u>	<u>1,891,040</u>	<u>1,843,394</u>	<u>-</u>	<u>47,646</u>
Total Expenditures	9,735,128	9,677,644	7,730,501	91,634	1,855,509
Other Financing Uses					
Operating transfers out	<u>847,980</u>	<u>5,868,559</u>	<u>5,182,027</u>	<u>10,000</u>	<u>676,532</u>
Total Expenditures and Other Uses	<u>\$ 10,583,108</u>	<u>\$ 15,546,203</u>	<u>12,912,528</u>	<u>\$ 101,634</u>	<u>\$ 2,532,041</u>
Net Change in Fund Balances			2,697,935		
Fund Balances - Beginning of Year			<u>9,129,857</u>		
Fund Balances - End of Year			<u>\$ 11,827,792</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 Seven Fiscal Years

	<i>Employees' Retirement System</i>						
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0038306%	0.0044098%	0.0053386%	0.0053777%	0.0061439%	0.0071261%	0.0074200%
District's proportionate share of the net pension liability	\$ 3,814	\$ 1,167,730	\$ 378,259	\$ 173,561	\$ 577,297	\$ 1,143,753	\$ 250,664
District's covered payroll	\$ 1,332,243	\$ 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	0.29 %	91.86 %	28.39 %	12.05 %	35.41 %	65.54 %	13.85 %
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	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>									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 200,162	\$ 180,742	\$ 196,599	\$ 218,624	\$ 261,091	\$ 285,653	\$ 332,855	\$ 375,817	\$ 361,418	\$ 282,268
Contributions in relation to the contractually required contribution	200,162	180,742	196,599	218,624	261,091	285,653	332,855	375,817	361,418	282,268
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	\$ 1,330,802	\$ 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
Contributions as a percentage of covered payroll	15%	14%	15%	15%	17%	18%	19%	21%	20%	17%

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 585,470	\$ 357,001	\$ 253,007	\$ 318,387
Interest	265,059	268,099	317,711	357,009
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	1,309,018	-	(1,986,906)	-
Changes of assumptions or other inputs	(28,236)	1,019,898	1,732,531	(1,049,170)
Benefit payments	(333,190)	(299,527)	(263,812)	(321,652)
Net change in total OPEB liability	1,798,121	1,345,471	52,531	(695,426)
Total OPEB liability, beginning	10,921,855	9,576,384	9,523,853	10,219,279
Total OPEB liability, ending	<u>\$ 12,719,976</u>	<u>\$ 10,921,855</u>	<u>\$ 9,576,384</u>	<u>\$ 9,523,853</u>
Covered employee payroll	\$ 1,625,899	\$ 1,539,365	\$ 1,501,819	\$ 1,263,417
Total OPEB liability as a percentage of covered employee payroll	782.33%	709.50%	637.65%	753.82%
Discount rate	2.06%	2.12%	2.74%	4.10%
Healthcare trend rates	6.50% to 5.00% by 2025	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, 2021

PROJECT TITLE	Budget 12/31/20	Budget 12/31/21	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance 12/31/21
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
AOP Treatment at Plant 1	\$ 3,505,250	\$ 3,505,250	\$ 2,416,308	\$ 294,551	\$ 2,710,859	\$ 794,391	\$ -	\$ -	\$ 3,505,250	\$ 3,505,250	\$ 794,391
VOC Treatment at Plant 1	4,083,987	4,083,987	3,773,561	152,135	3,925,696	158,291		2,105,610	1,978,377	4,083,987	158,291
Roof Replacement at Plant 1	167,800	157,391	19,567	137,824	157,391	-			157,391	157,391	-
AOP Pilot Study at Plant 2	148,500	138,911	138,911		138,911	-			138,911	138,911	-
AOP Interim Treatment at Plant 2	1,994,509	2,127,585	1,902,104	123,914	2,026,018	101,567		1,770,945	356,640	2,127,585	101,567
AOP Permanent Treatment at Plant 2	4,152,366	4,131,206	36,900	683,496	720,396	3,410,810		1,918,855	2,212,351	4,131,206	3,410,810
AOP Interim Treatment at Plant 3	1,890,411	4,040,250	1,764,441	362,676	2,127,117	1,913,133	1,798,513		2,241,737	4,040,250	1,913,133
AOP Permanent Treatment at Plant 3	2,189,664	1,871,410			-	1,871,410	1,871,410			1,871,410	1,871,410
AOP Treatment at Plant 4	6,658,690	6,663,315	5,605	221,310	226,915	6,436,400	6,639,210		24,105	6,663,315	6,436,400
Plant 4 Nitrate & Perchlorate ISEP System	6,932,653	6,932,653	70,614	89,540	160,154	6,772,499	4,269,000	2,626,200	37,453	6,932,653	6,772,499
AOP Pilot Study at Plant 5		50,000		40,000	40,000	10,000			50,000	50,000	10,000
AOP Treatment at Plant 5		40,000		40,000	40,000	-			40,000	40,000	-
AOP Interim Treatment at Plant 7 *	4,450,000	4,474,416	4,175,915	263,501	4,439,416	35,000	4,462,486		11,930	4,474,416	35,000
AOP Permanent Treatment at Plant 7 *	4,560,640	4,682,224		38,446	38,446	4,643,778	4,536,224		146,000	4,682,224	4,643,778
Debt Issuance Costs	4,631	9,255	4,631	4,624	9,255	-	9,255			9,255	-
Unallocated 2019 Bond Funds	3,660,369	6,507,322			-	6,507,322	6,507,322			6,507,322	6,507,322
Totals	<u>\$ 44,399,470</u>	<u>\$ 49,415,175</u>	<u>\$ 14,308,557</u>	<u>\$ 2,452,017</u>	<u>\$ 16,760,574</u>	<u>\$ 32,654,601</u>	<u>\$ 30,093,420</u>	<u>\$ 8,421,610</u>	<u>\$ 10,900,145</u>	<u>\$ 49,415,175</u>	32,654,601
									* Transfer to general fund		(4,776,386)
									Revenue not yet recognized:		
									Bond proceeds		(11,093,420)
									Grants		(4,059,726)
									General fund appropriations		(10,000)
										Fund Balance	<u>\$ 12,715,069</u>

