



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

December 31, 2023

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, 2023, 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, 2023 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 asset/(liability), schedule of District pension contributions, and schedule of changes in the District's total OPEB liability and related ratios on pages 4 through 18 and 49 through 54, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the financial statements. The other information on page 55 comprises of the schedule of expenditures and financing sources - capital projects fund but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Cullen & Danowski, LLP

May 16, 2024

PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plainview Water District's (District) discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended December 31, 2023 in comparison with the year ended December 31, 2022, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023 fiscal year are as follows:

- The District's total net position, as reflected in the district-wide financial statements, was \$47,154,983 at December 31, 2023. This balance represents an increase of \$14,293,785 (43.50%) over the prior year. This was due to capital asset additions from ongoing capital projects, as well as 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 \$15,640,294 at December 31, 2023. This balance represents a \$5,833,098 (59.48%) 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 decreased by \$151,538, which represents the changes in inventory and prepaids.
 - Restricted fund balances increased by \$5,297,510, as a result of the funding the capital reserve (\$900,000) and funding of the debt service reserve (\$4,100,211). In addition, the restricted reserves earned interest of \$297,298.
 - Assigned fund balances decreased by \$24,237 due to additional encumbrances in the current year (\$97,230), funding of the assignment (\$1,185,620) and interest earnings on assigned funds (\$144,661), offset by the use of the emerging contaminants assignment for costs relating to the advanced oxidation process treatment projects (\$1,451,748).
 - Unassigned fund balance increased by \$408,287 to \$3,012,022.
- 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. In 2022, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$30,390,000 for improvements to plant 5 for emerging contaminants. As of December 31, 2023, the District issued \$22,369,000 in BANs through the Town and \$38,114,420 remains unissued. As of December 31, 2023, the District has expended 20.82% of these authorizations and the construction is ongoing.
- The District's 2023 property tax levy of \$5,833,394 was a 2.30% increase over the 2022 tax levy, which was less than the tax cap of 2.36% and was approved by the Board of Commissioners (Board). The increase in the tax levy was primarily due to increases in health insurance expense, chemical treatment costs, and laboratory sample and analysis costs.

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

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management’s discussion and analysis (MD&A), the financial statements, required supplementary information, and other 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:



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 capital assets.

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 flows in future fiscal periods.

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

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

These 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 (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

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

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

The District maintains two individual governmental funds: general fund and capital projects fund, 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 December 31, 2023, long-term liabilities and the deferred inflows of resources changed by \$592,630, resulting from a reclassification of premiums from a bond refunding. The reclassifications have no effect on total net position.

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

The District's total net position increased by \$14,293,785 between the fiscal year December 31, 2023, and 2022. 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:

	2023	2022	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 30,901,008	\$ 21,711,749	\$ 9,189,259	42.32 %
Capital assets, net	58,122,816	48,895,023	9,227,793	18.87 %
Net pension asset - proportionate share	-	312,932	(312,932)	(100.00)%
Total Assets	89,023,824	70,919,704	18,104,120	25.53 %
Deferred Outflows of Resources	2,020,063	2,280,175	(260,112)	(11.41)%
Liabilities				
Current and other liabilities	4,319,808	1,763,468	2,556,340	144.96 %
Long-term liabilities	25,827,651	24,246,719	1,580,932	6.52 %
Net pension liability - proportionate share	860,302	-	860,302	100.00 %
Total OPEB liability	10,063,192	10,323,177	(259,985)	(2.52)%
Total Liabilities	41,070,953	36,333,364	4,737,589	13.04 %
Deferred Inflows of Resources	2,817,951	4,005,317	(1,187,366)	(29.64)%
Net Position				
Net investment in capital assets	41,905,584	34,828,186	7,077,398	20.32 %
Restricted	8,602,917	3,700,368	4,902,549	132.49 %
Unrestricted (deficit)	(3,353,518)	(5,667,356)	2,313,838	(40.83)%
Total Net Position	\$ 47,154,983	\$ 32,861,198	\$ 14,293,785	43.50 %

The increase in current and other assets is principally related to increases in cash and amounts due from New York State for receivables relating to capital project improvements, offset by decreases in accounts receivable, as well as amounts due from primary government.

The increase in capital assets, net is due to current year additions exceeding depreciation/amortization expense. The accompanying Notes to Financial Statements, Note 11 "Capital Assets" provides additional information.

Net pension asset – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's (ERS) net pension asset, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from an asset to a liability. The accompanying Notes to Financial Statements, Note 13 "Pension Plans – New York State," provides additional information.

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

The increase in current and other liabilities is mainly due to increases in accrued liabilities, as well as an increase in retainage payable, which is related to capital projects activity, offset by the decrease in accounts payable.

The increase in long-term liabilities is due to the issuance of new long term BANs, offset by the repayment of bonds, net.

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

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 increase is due to the shift from a net pension asset in the prior year to a net pension liability in the current year. The accompanying Notes to Financial Statements, Note 13 “Pension Plan – New York State”, provides additional information.

The OPEB liability decreased from 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 component of net position relates to the investment in capital assets at cost such as land; construction in progress; buildings and improvements; furniture and equipment; infrastructure; and software, net of accumulated depreciation/amortization and related outstanding debt. The balance as of December 31, 2023, is computed as follows:

	Increase (Decrease)
Capital assets, net	\$ 58,122,816
Retainage payable	(420,995)
BANs payable	(17,561,500)
Bonds payable	(8,008,400)
Unspent BAN proceeds	9,773,663
	\$ 41,905,584

The restricted component of net position relates to the District’s reserves, which consists of amounts restricted for capital and debt service. This balance increased over the prior year due to the funding of reserves as a result of increased grant revenues, and interest earnings, offset by the use of reserves.

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

B. Changes in Net Position

The results of this year’s operations as a whole are reported in the Statement of Activities in the accompanying financial statements. A summary of this statement for the years ended December 31, 2023 and 2022 is as follows:

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

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program revenues				
Charges for services	\$ 4,985,172	\$ 5,180,838	\$ (195,666)	(3.78)%
Capital grants	10,832,699	1,112,330	9,720,369	873.87 %
General revenues				
Real property taxes	5,833,379	5,702,218	131,161	2.30 %
Other tax items	274,032	251,534	22,498	8.94 %
Use of money and property	881,873	174,566	707,307	405.18 %
Other	405,163	318,516	86,647	27.20 %
Total Revenues	<u>23,212,318</u>	<u>12,740,002</u>	<u>10,472,316</u>	82.20 %
Expenses				
Program expenses				
Water administration	1,802,100	1,758,327	43,773	2.49 %
Source of supply, power and pumping	1,118,084	1,347,010	(228,926)	(17.00)%
Purification	1,855,742	1,995,704	(139,962)	(7.01)%
Transmission and distribution	1,734,020	1,278,934	455,086	35.58 %
Debt service - interest	1,021,787	689,040	332,747	48.29 %
Depreciation	1,386,800	1,383,517	3,283	0.24 %
Total Expenses	<u>8,918,533</u>	<u>8,452,532</u>	<u>466,001</u>	5.51 %
Total Change in Net Position	<u>\$ 14,293,785</u>	<u>\$ 4,287,470</u>	<u>\$ 10,006,315</u>	233.39 %

The District's net position increased by \$14,293,785 and \$4,287,470 for the years ended December 31, 2023 and 2022, respectively.

The District's revenues increased when compared to the prior year, primarily due to the following changes:

- Capital grants increased, as a result of ongoing capital improvements funded by the New York State Water Infrastructure Improvement Act (WIIA).
- Real property taxes were increased in accordance with the 2023 budget.
- Money and property increased, as a result of the rise in interest rates and earnings.

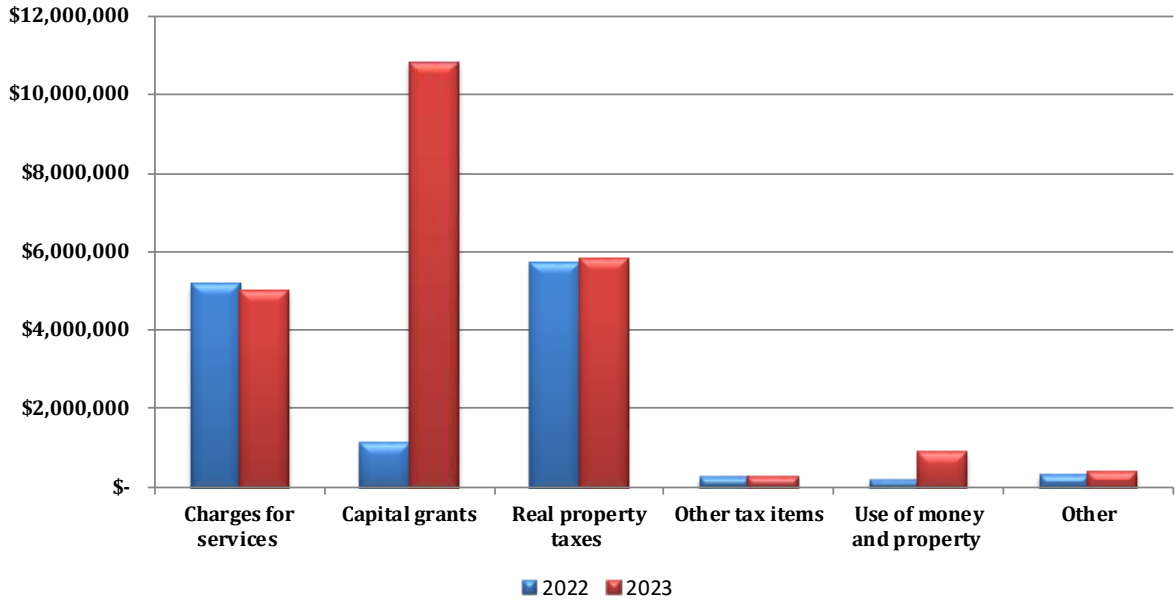
The District's expenses increased when compared to the prior year, principally due to the following changes:

- Transmission and distribution expense increased, as a result of the growth in salaries, hydrant repairs, maintenance and supplies, and purchases of meters.
- Debt service interest increased, as a result of the renewal of BANs, which had higher interest rates than in previous years.
- Source of supply, power and pumping decreased primarily due to a decrease in electricity costs from the prior year.

As graphically portrayed below, the District primarily relies on charges for services and real property taxes to support government operations; however, in 2023 the District received an influx of state aid in WIIA grants, resulting in capital grants being the largest category. Collectively, charges for services and real property taxes provided 46.61% and 85.43% of the District's revenues in fiscal years 2023 and 2022, respectively.

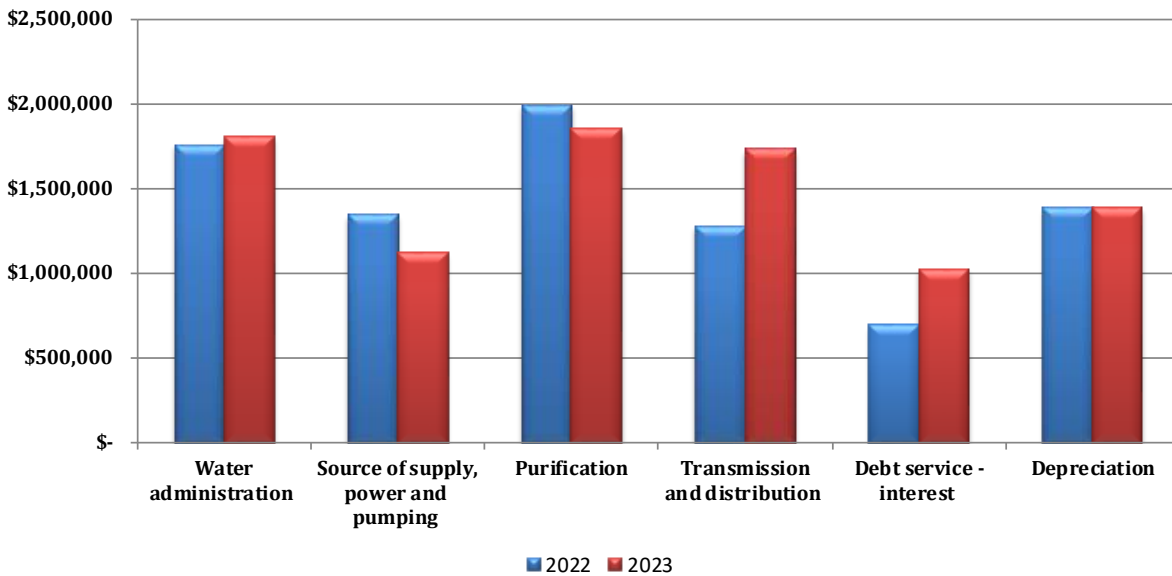
PLAINVIEW WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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



	Charges for services	Capital grants	Real property taxes	Other tax items	Use of money and property	Other
2022	40.67%	8.73%	44.76%	1.97%	1.37%	2.50%
2023	21.48%	46.67%	25.13%	1.18%	3.80%	1.74%

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
2022	20.80%	15.94%	23.61%	15.13%	8.15%	16.37%
2023	20.21%	12.53%	20.81%	19.44%	11.46%	15.55%

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

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of December 31, 2023, the governmental funds reported a combined fund balance of \$25,849,628, which is an increase of \$5,839,775 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:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Nonspendable:				
Inventory	\$ 473,674	\$ 345,472	\$ 128,202	37.11 %
Prepays	251,185	227,849	23,336	10.24 %
Restricted:				
Capital	4,061,480	3,025,758	1,035,722	34.23 %
Debt	4,541,437	279,649	4,261,788	1523.98 %
Assigned:				
Emerging contaminants	3,002,779	3,124,246	(121,467)	(3.89)%
Unappropriated fund balance	297,717	200,487	97,230	48.50 %
Unassigned: Fund balance	<u>3,012,022</u>	<u>2,603,735</u>	<u>408,287</u>	15.68 %
	<u>15,640,294</u>	<u>9,807,196</u>	<u>5,833,098</u>	59.48 %
Capital Fund				
Restricted:				
Capital	-	82,029	(82,029)	(100.00)%
Unspent BAN proceeds	9,773,663	10,101,125	(327,462)	(3.24)%
Assigned: Unappropriated fund balance	<u>435,671</u>	<u>19,503</u>	<u>416,168</u>	2133.87 %
	<u>10,209,334</u>	<u>10,202,657</u>	<u>6,677</u>	0.07 %
Total Governmental Funds				
Fund Balance	<u>\$ 25,849,628</u>	<u>\$ 20,009,853</u>	<u>\$ 5,839,775</u>	29.18 %

A. General Fund

The general fund is the principal operating fund of the District. For the year ended December 31, 2023, the fund balance increased by \$5,833,098, as revenues and other financing sources of \$16,479,039, exceeded expenditures and other financing uses of \$10,645,941.

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

The following is a summary of the major changes that resulted in revenues decreasing from the prior year:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Real property taxes	\$ 5,833,379	\$ 5,702,218	\$ 131,161	2.30 %
Other tax items	274,032	251,534	22,498	8.94 %
Program revenues	4,985,172	5,180,838	(195,666)	(3.78)%
Use of money and property	881,873	174,566	707,307	405.18 %
Sale of property and compensation for loss	80,847	45,680	35,167	76.99 %
Miscellaneous	324,316	272,836	51,480	18.87 %
Other financing sources	4,099,420	115,251	3,984,169	3456.95 %
	<u>\$ 16,479,039</u>	<u>\$ 11,742,923</u>	<u>\$ 4,736,116</u>	40.33 %

- Other financing sources increased primarily as a result of the District receiving state grant reimbursements for capital projects. The revenue was transferred into the general fund assignment for debt service from the capital projects fund to fund future debt payments in the amount of \$4,049,420.
- Use of money and property increased, as a result of the rise in interest rates and earnings.
- Real property taxes were increased in accordance with the 2023 budget.

Program revenues decreased mostly due to the decline in metered water sales and hydrant fees. The following is a summary of the major changes that resulted in expenditures decreasing over the prior year:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Water Administration	\$ 1,260,438	\$ 1,218,644	\$ 41,794	3.43 %
Source of Supply, Power & Pumping	1,097,375	1,308,504	(211,129)	(16.14)%
Purification	1,563,919	1,606,587	(42,668)	(2.66)%
Transmission and Distribution	1,347,231	1,088,968	258,263	23.72 %
Employee Benefits	1,437,589	1,263,659	173,930	13.76 %
Debt Service	2,487,641	6,136,622	(3,648,981)	(59.46)%
Other Financing Uses	1,451,748	1,140,535	311,213	27.29 %
	<u>\$ 10,645,941</u>	<u>\$ 13,763,519</u>	<u>\$ (3,117,578)</u>	(22.65)%

- Debt service decreased as the District made additional payments in the prior year as the District received grant funds for projects that were initially funded by BANs.
- Source of supply, power and pumping was less than the previous year as a result of decreases in electricity costs.
- Other financing uses increased as the District transferred more, during the current year, to the capital projects fund to fund infrastructure improvements.
- Transmission and distribution increased mainly due to the District incurring additional costs for purchasing meters, as well as a growth in salaries.

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

The restricted fund balances increased by a net amount of \$5,297,510 compared to the prior year. This increase is due to the funding of the debt reserve from grant monies received in the capital projects fund, as well as funding specified in the 2023 budget, and interest earnings for the year.

In 2020, the District established and funded an assignment of fund balance for emerging contaminants. A portion of the assignment was used in 2023 to offset project costs specific to the removal of emerging contaminants (\$1,451,748), the assignment was replenished at the end of the year (\$1,135,620), and earned interest during the year (\$144,661). The balance in the assignment at December 31, 2023 was \$3,002,779.

B. Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The net change in the capital projects fund – fund balance is an increase of \$6,677. The District recognized \$9,429,752 in grant revenues, \$3,369,000 in proceeds of debt, and an operating transfer in of \$1,451,748 to fund various projects. The District's capital projects expenditures of \$10,144,403 were for facility improvements and new water treatment infrastructure needed to treat water for various emerging contaminants in accordance with NYS mandated guidelines.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023 Budget

The District's general fund approved budget for the year ended December 31, 2023 was \$10,989,844. This amount was increased by encumbrances carried forward from the prior year in the amount of \$200,487 and budget revisions of \$1,451,748 for a final budget of \$12,642,471.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$5,833,394 in real property taxes and \$4,428,000 in metered water sales.

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 and other financing sources over expenditures and other financing uses, 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 other financing sources and expenditures and other financing uses for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 2,603,735
Revenues and Other Financing Sources Over Budget	5,488,803
Expenditures, Other Financing Uses, and Encumbrances Under Budget	1,698,813
Net Change in Nonspendable Fund Balance	(151,538)
Allocation to Restricted Reserves	(5,297,510)
Net Change in Assigned Fund Balance	<u>(1,330,281)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 3,012,022</u></u>

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

Opening, Unassigned Fund Balance

The \$2,603,735 shown in the table is the District's December 31, 2022 unassigned fund balance.

Revenues and Other Financing Sources Over Budget

The 2023 final budget for revenues and other financing sources was \$10,990,236. Actual revenues and other financing sources recognized for the year were \$16,479,039. The excess of actual revenues and other financing sources over estimated or budgeted revenues and other financing sources was \$5,488,803. This change contributes directly to the change in the unassigned portion of the general fund-fund balance from December 31, 2022 to December 31, 2023. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2023 final budget for expenditures and other financing uses was \$12,642,471. Actual expenditures and other financing uses for the year were \$10,645,941 and outstanding encumbrances were \$297,717. Combined, the expenditures, other financing uses, and encumbrances for 2023 were \$10,943,658. The final budget variance was \$1,698,813, which contributes directly to the change to the unassigned portion of the general fund-fund balance from December 31, 2022 to December 31, 2023. 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 ERS required contributions, staff professional dues, insurance payments, and one month of health insurance, and had inventories for supplies and materials at December 31, 2023. 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 \$(5,297,510) shown in the previous table represents a transfer to the capital reserve of \$900,000, amounts restricted for debt of \$4,100,211, which represents premiums recognized from the issuance of BANs, and interest earnings of \$297,298.

Net Change in Assigned Fund Balance

The \$1,330,281 shown in the previous table represents an additional assignment for emerging contaminants. This decreases the unassigned portion of the general fund's fund balance at December 31, 2023.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the District will begin the 2024 fiscal year with an unassigned fund balance of \$3,012,022. This is an increase of \$408,287 in the unassigned balance over the prior year.

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

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

A. Capital Assets

At December 31, 2023 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 \$10,614,593 in excess of depreciation/amortization expense of \$1,386,800 recorded for the year. A summary of the District's capital assets, net of accumulated depreciation/amortization at December 31, 2023 and 2022 is as follows:

	2023	2022	Increase (Decrease)
Land	\$ 302,792	\$ 302,792	\$ -
Construction work in progress	10,467,345	5,347,278	5,120,067
Buildings and improvements	8,650,099	9,018,402	(368,303)
Furniture and equipment	472,608	540,190	(67,582)
Infrastructure	37,969,126	33,463,378	4,505,748
Vehicles	228,911	179,421	49,490
Software	31,935	43,562	(11,627)
	<u>\$ 58,122,816</u>	<u>\$ 48,895,023</u>	<u>\$ 9,227,793</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, 2023, the District has expended 20.82% of the authorization and the construction is ongoing.

B. Debt Administration

At December 31, 2023, the District had total long-term debt of \$25,117,327. The BANs and bonds were issued for major improvements to the District's infrastructure and facilities. The decreases in outstanding debt represent principal payments made throughout the year, while the increase indicates a new issuance. A summary of the outstanding debt at December 31, 2023 and 2022 is as follows:

Issue Date	Interest Rate	2023	2022	Increase (Decrease)
Bond Anticipation Notes Payable				
2022	3.00%	<u>\$ 17,561,500</u>	<u>\$ 14,742,500</u>	<u>\$ 2,819,000</u>
Bonds payable				
2014	2.00 - 5.00%	\$ 37,873	\$ 73,831	\$ (35,958)
2018	2.00 - 5.00%	1,036,128	1,269,996	(233,868)
2018	2.00 - 5.00%	198,926	259,705	(60,779)
2018	3.00 - 4.00%	215,000	233,000	(18,000)
2018	3.00 - 4.00%	48,000	52,000	(4,000)
2021	2.00 - 4.00%	2,176,000	2,553,000	(377,000)
2022	5.00%	3,843,900	4,235,100	(391,200)
		<u>\$ 7,555,827</u>	<u>\$ 8,676,632</u>	<u>\$ (1,120,805)</u>

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

In 2019, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$4,269,000 for improvements to Plant No. 4 and \$25,824,420 for improvements to Plants No. 2, 3, 4 and 7, to treat for 1,4 Dioxane. In 2022, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$30,390,000 for improvements to Plant 5 for emerging contaminants. As of December 31, 2023, the District issued \$22,369,000 in BANs through the Town and \$38,114,420 remains unissued.

Additional information on the District’s long-term 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, net pension liability – proportionate share and total OPEB liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at December 31, 2023 and 2022 is as follows:

	2023	2022	Increase (Decrease)
Compensated absences payable	\$ 257,751	\$ 234,957	\$ 22,794
Net pension liability - proportionate share	860,302	-	860,302
Total OPEB liability	10,063,192	10,323,177	(259,985)
	\$ 11,181,245	\$ 10,558,134	\$ 623,111

7. ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

A. Subsequent Year’s Budget

The Board of Commissioners adopted the District’s 2024 budget on September 12, 2023. The District expects to maintain the same quality level of service to its taxpayers and customers that it has historically provided. The 2024 budget of \$15,971,296 represents a \$4,981,452 (45.33%) increase over the 2023 budget. The majority of this increase is due to the District increasing the budget for debt service payments to pay down BAN principal on the ongoing capital projects. The District received state grants to aid with the cost of the ongoing capital projects associated with 1.4 dioxane. The revenue received from these grants was moved into restricted for debt during the 2023 year, and then appropriated to cover the pay down of BANs being made in 2024. Partial funding for the budget will be provided by estimated non-property tax revenues of \$5,680,400, which is an increase of \$523,950 (10.16%) over 2023. The real property tax levy of \$5,990,896 will provide the balance of the funding for the budget, which is an increase of \$157,502 (2.70%) over 2023.

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 2024 includes \$4,820,000 for metered water sales. The District also believes that such adverse weather conditions can easily recur consecutively over two years or more. Gallons billed and water revenues for the past five years are as follows:

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

	Gallons billed (millions)		Water Revenue Recognized in General Fund (thousands)
2023	1,646	\$	4,493
2022	1,674		4,575
2021	1,661		4,030
2020	1,653		4,016
2019, as restated	1,682		3,959
2018	1,635		3,870

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 2024 is 2.75%. The District's tax levy increase of 2.70% 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, 2023

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 4,805,175
Restricted	8,602,917
Receivables	
Accounts receivable	981,753
Due from New York State	7,329,634
Due from other governments	144,349
Due from primary government	8,312,321
Inventory	473,674
Prepays	251,185
Capital assets	
Not being depreciated/amortized	10,770,137
Being depreciated, net of accumulated depreciation/amortization	<u>47,352,679</u>
Total Assets	<u>89,023,824</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	694,294
Other postemployment benefits	<u>1,325,769</u>
Total Deferred Outflows of Resources	<u>2,020,063</u>

LIABILITIES

Payables	
Accounts payable	899,572
Accrued liabilities	2,858,224
Retainage payable	420,995
Guarantee and bid deposits	43,372
Unearned credits - collections in advance	97,645
Long-term liabilities	
Due within one year	
Bond anticipation notes payable	4,750,000
Bonds payable, net	1,296,886
Compensated absences payable	13,549
Total other postemployment benefits liability	422,531
Due after one year	
Bond anticipation notes payable	12,811,500
Bonds payable, net	6,711,514
Compensated absences payable	244,202
Total other postemployment benefits liability	9,640,661
Net pension liabilities - proportionate share	<u>860,302</u>
Total Liabilities	<u>41,070,953</u>

DEFERRED INFLOWS OF RESOURCES

Pension	71,617
Other postemployment benefits	<u>2,746,334</u>
Total Deferred Inflows of Resources	<u>2,817,951</u>

NET POSITION

Net investment in capital assets	41,905,584
Restricted:	
Capital	4,061,480
Debt	4,541,437
Unrestricted (deficit)	<u>(3,353,518)</u>
Total Net Position	<u>\$ 47,154,983</u>

PLAINVIEW WATER DISTRICT
Statement of Activities
For the Year Ended December 31, 2023

Program Revenues	
Charges for services	\$ 4,985,172
Capital grants	<u>10,832,699</u>
Total Program Revenues	<u>15,817,871</u>
Program Expenses	
Home and community services	
Water supply services	
Water administration	1,802,100
Source of supply, power and pumping	1,118,084
Purification	1,855,742
Transmission and distribution	1,734,020
Debt service - interest	1,021,787
Depreciation/amortization	<u>1,386,800</u>
Total Program Expenses	<u>8,918,533</u>
Net Program Revenue (Expense)	<u>6,899,338</u>
General Revenues	
Real property taxes	5,833,379
Other tax items	274,032
Use of money and property	881,873
Sale of property and compensation for loss	80,847
Miscellaneous	<u>324,316</u>
Total General Revenues	<u>7,394,447</u>
Change in Net Position	14,293,785
Net Position - Beginning of Year	<u>32,861,198</u>
Net Position - End of Year	<u><u>\$ 47,154,983</u></u>

PLAINVIEW WATER DISTRICT
Balance Sheet - Governmental Funds
December 31, 2023

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 4,223,330	\$ 581,845	\$ 4,805,175
Restricted	8,602,917		8,602,917
Receivables			
Accounts receivable	981,753		981,753
Due from other funds	639,407		639,407
Due from New York State		7,329,634	7,329,634
Due from other governments	144,349		144,349
Due from primary government	806,003	7,506,318	8,312,321
Inventory	473,674		473,674
Prepays	251,185		251,185
	\$ 16,122,618	\$ 15,417,797	\$ 31,540,415
LIABILITIES			
Payables			
Accounts payable	\$ 284,756	\$ 614,816	\$ 899,572
Accrued liabilities	56,551	1,954,939	2,011,490
Due to other funds		639,407	639,407
Guarantee and bid deposits	43,372		43,372
Unearned credits collections in advance	97,645		97,645
	482,324	3,209,162	3,691,486
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue		1,999,301	1,999,301
FUND BALANCES			
Nonspendable:			
Inventory	473,674		473,674
Prepays	251,185		251,185
Restricted:			
Capital	4,061,480		4,061,480
Debt	4,541,437		4,541,437
Unspent BAN proceeds		9,773,663	9,773,663
Assigned:			
Emerging contaminants	3,002,779		3,002,779
Unappropriated fund balance	297,717	435,671	733,388
Unassigned: Fund balance	3,012,022		3,012,022
	15,640,294	10,209,334	25,849,628
	\$ 16,122,618	\$ 15,417,797	\$ 31,540,415

PLAINVIEW WATER DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
December 31, 2023

Total Governmental Fund Balances \$ 25,849,628

The costs of constructing and acquiring capital assets 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 amount the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 79,034,145	
Less: Accumulated depreciation/amortization	<u>(20,911,329)</u>	
		58,122,816

Proportionate share of long-term liabilities, 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	694,294	
Net pension liability - proportionate share	(860,302)	
Deferred inflows of resources	<u>(71,617)</u>	
		(237,625)

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	1,325,769	
Total other postemployment benefits liability	(10,063,192)	
Deferred inflows of resources	<u>(2,746,334)</u>	
		(11,483,757)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

1,999,301

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 debt	(846,734)	
Retainage payable	(420,995)	
Bond anticipation notes payable	(17,561,500)	
Bonds payable, net	(8,008,400)	
Compensated absences payable	<u>(257,751)</u>	
		<u>(27,095,380)</u>

Total Net Position		<u><u>\$ 47,154,983</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, 2023

	General	Capital Projects	Total Governmental Funds
Revenues			
Real property taxes	\$ 5,833,379	\$	\$ 5,833,379
Other tax items	274,032		274,032
Program revenues	4,985,172		4,985,172
Use of money and property	881,873		881,873
Sale of property and compensation for loss	80,847		80,847
Miscellaneous	324,316		324,316
State sources		9,379,752	9,379,752
Federal sources		50,000	50,000
	<u>12,379,619</u>	<u>9,429,752</u>	<u>21,809,371</u>
Expenditures			
Water administration	1,260,438	20,709	1,281,147
Source of supply, power and pumping	1,097,375		1,097,375
Purification	1,563,919		1,563,919
Transmission and distribution	1,347,231		1,347,231
Employee benefits	1,437,589		1,437,589
Debt service			
Principal	1,670,805		1,670,805
Interest	816,836		816,836
Capital outlay		10,123,694	10,123,694
	<u>9,194,193</u>	<u>10,144,403</u>	<u>19,338,596</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,185,426</u>	<u>(714,651)</u>	<u>2,470,775</u>
Other Financing Sources and (Uses)			
Proceeds of debt		3,369,000	3,369,000
Operating transfers in	4,099,420	1,451,748	5,551,168
Operating transfers (out)	<u>(1,451,748)</u>	<u>(4,099,420)</u>	<u>(5,551,168)</u>
	<u>2,647,672</u>	<u>721,328</u>	<u>3,369,000</u>
Net Change in Fund Balances	5,833,098	6,677	5,839,775
Fund Balances - Beginning of Year	<u>9,807,196</u>	<u>10,202,657</u>	<u>20,009,853</u>
Fund Balances - End of Year	<u>\$ 15,640,294</u>	<u>\$ 10,209,334</u>	<u>\$ 25,849,628</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, 2023

Net Change in Fund Balances		\$ 5,839,775
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-term Revenue and Expense Differences</u>		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts received).		
	\$ 1,402,947	
Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.		
Increase in compensated absences payable	(22,794)	1,380,153
<u>Capital Related Differences</u>		
Capital outlays to purchase, construct, 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	10,614,593	
Depreciation expense	(1,386,800)	
	9,227,793	
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 increased from December 31, 2022 to December 31, 2023.		
	(264,795)	8,962,998
<u>Long-Term Debt Transactions</u>		
Proceeds from the issuance of debt 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.		
	(3,369,000)	
The amortization of the deferred premium on the current refunding of bonds decreases interest expense in the Statement of Activities.		
	140,057	
Repayments of long-term debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.		
Bond anticipation notes payable	550,000	
Bond payable	1,120,805	
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, 2022 to December 31, 2023.		
	(345,008)	(1,903,146)
<u>Pension and Other Postemployment Benefits Differences</u>		
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	(129,084)	
Other postemployment benefits	143,089	
		14,005
Change in Net Position of Governmental Activities		\$ 14,293,785

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 (Board) is the legislative body responsible for overall operations. The Board 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. 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 Financial 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 expenses and revenues 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 type:

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use, balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

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

Capital Projects Fund: This fund is used to account for the financial resources that are restricted, committed, or assigned to expenditures of capital outlays, including the acquisition, construction, renovation or major capital repair of capital facilities and other capital or intangible 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 and grants. 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 all 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, claims and judgments, compensated absences, pension costs, and OPEB, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Real Property Taxes

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, 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 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 \$158,573 in LIPA PILOT revenue during the 2023 fiscal year.

F. Restricted Resources

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

G. Interfund Transactions

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

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

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, compensated absences, pension costs, OPEB, 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 an original maturity date of three months or less from date of acquisition. Included in cash and cash equivalents are highly liquid investments held with New York Cooperative Liquid Assets Securities System (NYCLASS).

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.

J. Receivables

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

K. Inventory and Prepaids

Inventory consists of supply type items and are recorded at cost on a first-in, first-out basis. Prepaids represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the district-wide and fund financial statements. These items are reported as assets using the consumption method. A current asset for both the inventory and prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

L. Capital Assets

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

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	\$ 5,000	Straight line	10-50 years
Furniture and equipment	5,000	Straight line	5-10 years
Infrastructure	5,000	Straight line	50 years
Vehicles	5,000	Straight line	10 years
Software	5,000	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 assets 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 asset or 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 OPEB liability not included in OPEB expense.

N. Bond Anticipation Notes Payable (BAN)

The District may issue 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 liabilities, as these notes will not require the use of working capital during that period.

The District issued \$17,561,500 in BANs through the Town of Oyster Bay during the year ended December 31, 2023; however, these BANs were renewed prior to the financial statements being issued and were treated as long-term liabilities.

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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 §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, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

S. Long-Term Debt

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the general fund.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

In the fund financial statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the district-wide financial statements, premiums received on original long-term debt issuances are netted with bond payable and amortized over the life of the bonds.

T. Deferred Inflows of Resources

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

U. 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, net of any unexpended proceeds.

Restricted – Reports net position when constraints placed on the assets or deferred outflows of resources 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 may be recorded in the debt service fund or general fund and held until appropriated for debt payments. These restricted amounts are accounted for in the general fund.

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. 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, positive 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 if voter approval is not required. Amendments or modifications to the applied or transferred fund balance must also be approved by formal action of the Board.

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

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned, or unassigned) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

2. FUTURE ACCOUNTING STANDARDS

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

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Effective for the Year Ending
December 31, 2025

Statement
GASB No. 101 – *Compensated Absences*

GASB Statement No. 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures.

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.

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 deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

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/amortization 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 payments 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

OPEB 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 OPEB, costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget Policies

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

- The District's administration prepares a proposed budget for the general fund and submits it to the Board for approval.
- The proposed budget for the general fund is then submitted to the Oyster Bay Town Board for approval.
- Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balance. These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The District had the following supplemental appropriations during the year:

Budget Revisions	
Interfund Transfers Funded by	
Assigned Fund Balances	
Plant 7 GAC Enclosure	\$ 1,318,248
Plant 7 Enclosure AOP	133,500
	1,451,748
Construction Water Charges	
Service installs	392
	392
Total Budget Revisions	\$ 1,452,140

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

- In the capital projects fund, budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Restricted Fund Balance

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

	Beginning Balance	Interest Earned	Funding	Use of Reserve	Ending Balance
General Fund					
Capital	\$ 3,025,758	\$ 135,722	\$ 900,000	\$	\$ 4,061,480
Debt Service	279,649	161,576	4,100,212		4,541,437
Capital Projects Fund					
Capital	82,029			(82,029)	-
Unspent BAN proceeds	10,101,125			(327,462)	9,773,663
	<u>\$ 13,488,561</u>	<u>\$ 297,298</u>	<u>\$ 5,000,212</u>	<u>\$ (409,491)</u>	<u>\$ 18,376,580</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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Investment pool:

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to GML Article 3-A and 5-G, whereby it hold a portion of the investments in cooperation with other participants. NYCLASS is rated by S&P Global Ratings. The current rating is 'AAAm'. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with GM §10 and §11.

The District's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at December 31, 2023 was 41 days and the weighted average life (WAL) was 87 days. These investments are included in cash and cash equivalents as follows:

Fund	Carrying Amount
General Fund	\$ 1,827,752

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

6. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2023 consisted of:

Metered water sales, unbilled	\$ 233,804
Metered water sales, billed	743,932
Miscellaneous	4,017
	\$ 981,753

District management expects these amounts to be fully collectible.

7. DUE FROM NEW YORK STATE

Due from New York State at December 31, 2023 consisted of:

New York State WIIA Grant - 2017	\$ 2,162,058
New York State WIIA Grant - 2019	917,550
New York State WIIA Grant - 2021	29,601
New York State WIIA Grant - 2022	4,220,425
	\$ 7,329,634

District management expects these amounts to be fully collectible.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2023 consisted of:

Water liens	\$ 144,349
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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, 2023 consisted of:

General Fund

Town of Oyster Bay

Premiums and interest on obligations	\$ 664,135
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Payments in lieu of taxes	135,913
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Interest	5,955
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	806,003
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Capital Projects Fund

Town of Oyster Bay

BAN proceeds held by Town	7,506,318
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	\$ 8,312,321
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District management expects these amounts to be fully collectible.

10. INTERFUND TRANSACTIONS

Interfund balances and activities at December 31, 2023 are as follows:

	Interfund			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$ 639,407	\$	\$ 4,099,420	\$ 1,451,748
Capital Projects Fund		639,407	1,451,748	4,099,420
Total governmental activities	\$ 639,407	\$ 639,407	\$ 5,551,168	\$ 5,551,168

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 various Board approvals throughout the year to fund current capital projects. The transfer from the capital projects fund to the general fund represents amounts collected in the capital projects fund from grants returned to the general fund to pay debt service on the BANs.

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

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. CAPITAL ASSETS

A. Changes

Capital assets balances and activities for the year ended December 31, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated/amortized:				
Land	\$ 302,792	\$	\$	\$ 302,792
Construction work in progress	5,347,278	10,544,689	(5,424,622)	10,467,345
Total capital assets not being depreciated/amortized	5,650,070	10,544,689	(5,424,622)	10,770,137
Capital assets being depreciated:				
Buildings and improvements	17,485,082	14,750		17,499,832
Furniture and equipment	1,758,583	75,233		1,833,816
Infrastructure	42,830,749	5,328,575		48,159,324
Vehicles	606,620	75,968		682,588
Software	88,448			88,448
Total capital assets being depreciated/amortized	62,769,482	5,494,526	-	68,264,008
Less accumulated depreciation/amortization for:				
Buildings and improvements	8,466,680	383,053		8,849,733
Furniture and equipment	1,218,393	142,815		1,361,208
Infrastructure	9,367,371	822,827		10,190,198
Vehicles	427,199	26,478		453,677
Software	44,886	11,627		56,513
Total accumulated depreciation/amortization	19,524,529	1,386,800	-	20,911,329
Total capital assets being depreciated/amortized, net	43,244,953	4,107,726	-	47,352,679
Capital assets, net	\$ 48,895,023	\$ 14,652,415	\$ (5,424,622)	\$ 58,122,816

Depreciation/amortization expense totaled \$1,386,800 and was charged to home and community services – water supply services.

B. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital or intangible 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, 2023, the District has not recorded any such impairment losses.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activities, excluding pension liabilities, for the year ended December 31, 2023, are summarized as follows:

	Balance 12/31/22	Additions	Reductions	Balance 12/31/23	Amounts Due Within One Year
<u>Long-term debt:</u>					
BANs payable	\$ 14,742,500	\$ 3,369,000	\$ (550,000)	\$ 17,561,500	\$ 4,750,000
Bonds payable	8,676,632		(1,120,805)	7,555,827	1,175,118
Premium on obligations	592,630		(140,057)	452,573	121,768
<u>Other long-term liabilities:</u>					
Compensated absences	234,957	36,557	(13,763)	257,751	13,549
Total OPEB liability	10,323,177		(259,985)	10,063,192	422,531
	<u>\$ 34,569,896</u>	<u>\$ 3,405,557</u>	<u>\$ (2,084,610)</u>	<u>\$ 35,890,843</u>	<u>\$ 6,482,966</u>

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

The maturity of compensated absences is not determinable.

Full detail on total OPEB liability can be found in Note 15, "Postemployment Healthcare Benefits".

B. Bond Anticipation Notes Payable

Bond anticipation notes payable is comprised of the following:

	Maturity	Stated Interest Rate	Balance 12/31/22	Issued	Redeemed	Balance 12/31/23
BAN	3/9/2023	3.00%	\$ 14,742,500	\$	\$(14,742,500)	\$ -
BAN	3/8/2024	3.00%	-	17,561,500		17,561,500
			<u>\$ 14,742,500</u>	<u>\$ 17,561,500</u>	<u>\$(14,742,500)</u>	<u>\$ 17,561,500</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 12/31/23
Public improvement				
Refunding serial bonds (2006)	2014	2024	2.00 - 5.00%	\$ 37,873
Refunding serial bonds (2008)	2018	2027	2.00 - 5.00%	1,036,128
Refunding serial bonds (2010)	2018	2026	2.00 - 5.00%	198,926
Serial bonds	2018	2033	3.00 - 4.00%	215,000
Serial bonds	2018	2033	3.00 - 4.00%	48,000
Refunding serial bonds (2014)	2021	2028	2.00 - 4.00%	2,176,000
Refunding serial bonds (2014)	2022	2031	5.00%	3,843,900
				<u>\$ 7,555,827</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,175,118	\$ 324,748	\$ 1,499,866
2025	1,184,030	272,890	1,456,920
2026	1,236,203	220,796	1,456,999
2027	1,214,576	167,903	1,382,479
2028	987,100	119,975	1,107,075
2029 - 2033	1,758,800	177,209	1,936,009
	<u>\$ 7,555,827</u>	<u>\$ 1,283,521</u>	<u>\$ 8,839,348</u>

D. Premiums on Obligations

The Town, on behalf of the District, refunded bonds in prior years, which resulted in deferred bond premiums. These amounts are being amortized as a component of interest expense on a weighted-average basis over the life of the bonds in the district-wide statements as follows:

<u>Year Ending December 31,</u>	<u>Amortization of Premium</u>
2024	\$ 121,768
2025	102,616
2026	82,597
2027	61,707
2028	39,882
2029 - 2031	44,003
	<u>\$ 452,573</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	\$ 816,836
Less: interest accrued in the prior year	(501,726)
Plus: interest accrued in the current year	846,734
Less: amortization of deferred premiums	<u>(140,057)</u>
Total expense	<u>\$ 1,021,787</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. In 2022, the District received authorization from the Town of Oyster Bay to issue serial bonds in the amount of \$30,390,000 for improvements to Plant 5 for emerging contaminants. As of December 31, 2023, the District issued \$22,369,000 in BANs through the Town and \$38,114,420 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 the 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

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the ERS for the current year. The District's average contribution rate was 11.02% of covered payroll for the ERS' fiscal year ending March 31, 2023.

The District's share of the required contributions, based on covered payroll for the District's year ended December 31, 2023, was \$166,928 at an average contribution rate of 11.20%.

C. Pension Asset/(Liability), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the system, which was measured as of March 31, 2023. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(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, 2023
District's proportionate share of the net pension liability	\$ (860,302)
District's portion of the Plan's total net pension liability	0.0040118%
Change in proportion since the prior measurement date	0.0001837

For the year ended December 31, 2023, the District recognized pension expense of \$296,010 for the ERS. At December 31, 2023, 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	\$ 91,629	\$ 24,161
Changes in assumptions	417,818	4,618
Net difference between projected and actual earnings on pension plan investments		5,054
Changes in proportion and differences between the District's contributions and proportionate share of contributions	55,083	37,784
District contributions subsequent to the measurement date	129,764	
Total	\$ 694,294	\$ 71,617

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, 2024. 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
2024	\$ 108,414
2025	(42,577)
2026	187,777
2027	239,299
	\$ 492,913

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, 2023
Actuarial valuation date	April 1, 2022
Inflation	2.90%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

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-2021. The previous actuarial valuation as of April 1, 2020, used the same assumptions for the measurement of total pension liability. 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2023
Asset class		
Domestic equity	32.0%	4.30 %
International equity	15.0%	6.85 %
Real estate equity	9.0%	4.60 %
Private equity	10.0%	7.50 %
Alternative investments	10.0%	5.38-5.84%
Fixed income	23.0%	1.50 %
Cash	1.0%	0.00 %
	100.0%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. 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 asset/(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)	\$ (2,078,980)	\$ (860,302)	\$ 158,046

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Pension Plan Fiduciary Net Position

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

	<i>(Dollars in Thousands)</i>
Measurement date	March 31, 2023
Employers' total pension liability	\$ (232,627,259)
Plan fiduciary net position	<u>211,183,223</u>
Employers' net pension liability	<u>\$ (21,444,036)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	90.78%

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 \$43,255 for the period of January 1, 2024 through March 31, 2024. Employee contributions are remitted monthly.

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, 2023 totaled \$92,687.

15. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides OPEB 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 No. 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.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Employee Covered Benefit Terms – At January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>19</u>
	<u><u>37</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$10,063,192 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

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	3.26%	
Healthcare cost trend rates	6.50%	decreasing to an ultimate rate of 5.00% by 2027
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, 2023 to reflect current interest rate trends.

Mortality rates were based on the PUB-10 Total Dataset mortality table projected fully generationally using projection scale MP-2021.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study as of the valuation date projected to December 31, 2023.

C. Changes in the Total OPEB Liability

Balance at December 31, 2022	<u>\$ 10,323,177</u>
Changes for the year	
Service cost	257,728
Interest on total OPEB liability	345,362
Changes in benefit terms	-
Differences between expected and actual experience	(1,266,351)
Changes in assumptions or other inputs	770,426
Benefit payments	<u>(367,150)</u>
	<u>(259,985)</u>
Balance at December 31, 2023	<u><u>\$ 10,063,192</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.72% in 2022 to 3.26% in 2023.

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
OPEB			
Total OPEB liability	<u>\$ (11,654,367)</u>	<u>\$ (10,063,192)</u>	<u>\$ (8,792,389)</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 5.50% decreasing to 4.00%	Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% decreasing to 6.00%
OPEB			
Total OPEB liability	<u>\$ (8,852,397)</u>	<u>\$ (10,063,192)</u>	<u>\$ (11,585,275)</u>

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

For the year ended December 31, 2023, the District recognized OPEB expense of \$224,062. At December 31, 2023, 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	\$ 615,190	\$ 895,651
Changes of assumptions	710,579	1,850,683
Total	\$ 1,325,769	\$ 2,746,334

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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
2024	\$ (284,301)
2025	(448,430)
2026	(434,399)
2027	(253,435)
	\$ (1,420,565)

16. RESTRICTED FUND BALANCE

The District expects to appropriate \$4,100,000 from the debt service reserve, and \$200,000 from the capital improvement reserve which is reported in the December 31, 2023 restricted fund balance, to fund the budget for the year ending December 31, 2024.

17. 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, 2023. The District received PILOT payments totaling \$115,458.

The District also recognized \$158,573 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*.

18. 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.

19. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At December 31, 2023, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance	
General Fund	
Water Administration	\$ 36,098
Purification	137,052
Transmission and Distribution	124,567
	\$ 297,717

PLAINVIEW WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Grants

The District has received grants, which are subject to audit agencies of the state. 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.

20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditor's 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:

Issuance of Bond Anticipation Notes

On March 7, 2024, the Town of Oyster Bay issued BANs on behalf of the District in the amount of \$12,811,500, which mature on March 7, 2025, and bear an interest rate of 4.00%. These BANs, along with \$4,750,000 in general fund appropriations, were used to pay \$17,561,500 in outstanding BANs.

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Real property taxes	\$ 5,833,394	\$ 5,833,394	\$ 5,833,379	\$ (15)
Other tax items	175,000	175,000	274,032	99,032
Program revenues				
Metered water sales	4,428,000	4,428,000	4,492,675	64,675
Construction water charges	132,800	133,192	120,525	(12,667)
Hydrant rentals	117,000	117,000	117,000	-
Sprinkler fees	136,400	136,400	136,400	-
Miscellaneous charges	70,000	70,000	46,638	(23,362)
Penalties on water sales	65,000	65,000	71,934	6,934
Total program revenues	<u>4,949,200</u>	<u>4,949,592</u>	<u>4,985,172</u>	<u>35,580</u>
Use of money and property	<u>25,000</u>	<u>25,000</u>	<u>881,873</u>	<u>856,873</u>
Sale of property and compensation for loss				
Insurance recoveries	5,000	5,000	77,928	72,928
Sale of equipment	1,000	1,000		(1,000)
Sales of scrap and excess materials	1,000	1,000	2,919	1,919
Sales of water supplies	250	250		(250)
Total sale of property and compensation for loss	<u>7,250</u>	<u>7,250</u>	<u>80,847</u>	<u>73,597</u>
Miscellaneous				
Other unclassified revenue			324,316	324,316
Total Revenues	<u>10,989,844</u>	<u>10,990,236</u>	<u>12,379,619</u>	<u>1,389,383</u>
Other Financing Sources				
Operating transfers in			4,099,420	4,099,420
Total Revenues and Other Sources	<u>10,989,844</u>	<u>10,990,236</u>	<u>16,479,039</u>	<u>\$ 5,488,803</u>
Appropriated Fund Balance				
Prior Year's Encumbrances	200,487	200,487		
Appropriated Reserves		<u>1,451,748</u>		
Total Appropriated Fund Balance	<u>200,487</u>	<u>1,652,235</u>		
Total Revenues, Other Sources, and Appropriated Fund Balance	<u>\$ 11,190,331</u>	<u>\$ 12,642,471</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

PLAINVIEW WATER DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund, Continued
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
Water Administration					
Superintendent	\$ 172,725	\$ 172,725	\$ 172,000	\$	\$ 725
Office salaries	348,600	358,600	358,194		406
Commissioners fees	72,000	72,000	65,520		6,480
Telephone and communications	58,000	58,000	44,005		13,995
Information technology	59,412	58,212	45,166		13,046
Office expense	62,504	64,504	50,233	842	13,429
Postage	54,000	54,000	46,665		7,335
Professional fees	290,410	278,410	231,733	1,354	45,323
Insurance	153,500	168,000	163,477		4,523
Conferences, dues, and education	33,500	33,500	32,277		1,223
Election expense	3,500	4,700	4,492		208
Building maintenance	59,000	82,500	43,122	33,902	5,476
MTA tax	2,400	3,900	3,554		346
Cotigency	150,000	25,100	-		25,100
Total Water Administration	<u>1,519,551</u>	<u>1,434,151</u>	<u>1,260,438</u>	<u>36,098</u>	<u>137,615</u>
Source of Supply, Power & Pumping					
Diesel and natural gas	40,000	43,500	39,866		3,634
Electricity	1,450,000	1,446,500	1,057,509		388,991
Total Source of Supply, Power & Pumping	<u>1,490,000</u>	<u>1,490,000</u>	<u>1,097,375</u>	<u>-</u>	<u>392,625</u>
Purification					
Salaries	578,600	421,600	351,660		69,940
Treatment - Lime	225,000	275,000	269,142		5,858
Treatment - Chlorine	65,000	85,000	73,061		11,939
Treatment - Peroxide	120,000	120,000	108,719		11,281
Laboratory sample and analysis	342,264	367,264	329,718		37,546
Treatment - G.A.C.	375,000	375,000	256,864	92,782	25,354
Plant tools and supplies	50,664	50,664	29,250	174	21,240
Plant repairs and maintenance	388,820	363,820	116,042	44,096	203,682
Plant grounds and security	42,500	42,500	29,463		13,037
Total Purification	<u>2,187,848</u>	<u>2,100,848</u>	<u>1,563,919</u>	<u>137,052</u>	<u>399,877</u>
Transmission and Distribution					
Salaries	533,000	605,000	601,171		3,829
Road restoration	65,000	93,000	86,273	1,787	4,940
Mains and hydrants	105,500	144,392	121,060	658	22,674
Valve repair	35,000	19,000	(2,759)		21,759
Service installs	53,137	71,137	33,497	32,108	5,532
Auto expense	151,559	151,559	131,030	7,234	13,295
Uniforms	7,384	13,884	13,022		862
Distribution tools and supplies	41,284	88,684	59,401	21,600	7,683
Purchase of meters and supplies	279,650	392,030	252,433	61,180	78,417
Distribution services	75,000	55,000	52,103		2,897
Total Transmission and Distribution	<u>1,346,514</u>	<u>1,633,686</u>	<u>1,347,231</u>	<u>124,567</u>	<u>161,888</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, 2023

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Employee Benefits					
NYS employees' retirement system	\$ 202,000	\$ 178,000	\$ 166,928	\$	\$ 11,072
Social security	107,277	117,278	117,119		159
Workers' compensation	50,000	50,000	43,562		6,438
Unemployment	2,000	2,000			2,000
Life insurance premiums	8,500	8,500	6,679		1,821
Disability insurance	6,000	6,500	6,112		388
NYS health insurance plan	924,000	923,000	888,028		34,972
Dental plan	87,000	101,500	95,454		6,046
Optical plan	25,000	25,000	20,612		4,388
Medicare reimbursement	52,500	52,500	49,073		3,427
Supplemental insurance	43,500	43,500	43,422		78
Flex spending plan fees	1,000	999	600		399
Total Employee Benefits	<u>1,508,777</u>	<u>1,508,777</u>	<u>1,437,589</u>	<u>-</u>	<u>71,188</u>
Debt Service					
Principal	1,670,805	1,670,805	1,670,805		-
Interest	816,836	816,836	816,836		-
Total Debt Service	<u>2,487,641</u>	<u>2,487,641</u>	<u>2,487,641</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,540,331</u>	<u>10,655,103</u>	<u>9,194,193</u>	<u>297,717</u>	<u>1,163,193</u>
Other Financing Uses					
Operating transfers out	650,000	1,987,368	1,451,748	-	535,620
Total Expenditures and Other Uses	<u>\$ 11,190,331</u>	<u>\$ 12,642,471</u>	<u>10,645,941</u>	<u>\$ 297,717</u>	<u>\$ 1,698,813</u>
Net Change in Fund Balances			5,833,098		
Fund Balances - Beginning of Year			<u>9,807,196</u>		
Fund Balances - End of Year			<u>\$ 15,640,294</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 Asset/(Liability)
 Last Nine Fiscal Years

Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0040118%	0.0038281%	0.0038306%	0.0044098%	0.0053386%	0.0053777%	0.0061439%	0.0071261%	0.0074200%
District's proportionate share of the net pension asset/(liability)	\$ (860,302)	\$ 312,932	\$ (3,814)	\$ (1,167,730)	\$ (378,259)	\$ (173,561)	\$ (577,297)	\$ (1,143,753)	\$ (250,664)
District's covered payroll	\$ 1,406,003	\$ 1,348,793	\$ 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 asset/(liability) as a percentage of its covered payroll	61.19%	23.20%	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	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	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

Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 166,928	\$ 163,506	\$ 200,162	\$ 180,742	\$ 196,599	\$ 218,624	\$ 261,091	\$ 285,653	\$ 332,855	\$ 375,817
Contributions in relation to the contractually required contribution	166,928	163,506	200,162	180,742	196,599	218,624	261,091	285,653	332,855	375,817
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	\$ 1,490,692	\$ 1,397,239	\$ 1,330,802	\$ 1,290,421	\$ 1,289,718	\$ 1,440,430	\$ 1,523,888	\$ 1,628,509	\$ 1,758,650	\$ 1,804,640
Contributions as a percentage of covered payroll	11%	12%	15%	14%	15%	15%	17%	18%	19%	21%

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 257,728	\$ 610,684	\$ 585,470	\$ 357,001	\$ 253,007	\$ 318,387
Interest on total OPEB liability	345,362	270,669	265,059	268,099	317,711	357,009
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(1,266,351)	-	1,309,018	-	(1,986,906)	-
Changes of assumptions or other inputs	770,426	(2,893,400)	(28,236)	1,019,898	1,732,531	(1,049,170)
Benefit payments	(367,150)	(384,752)	(333,190)	(299,527)	(263,812)	(321,652)
Net change in total OPEB liability	(259,985)	(2,396,799)	1,798,121	1,345,471	52,531	(695,426)
Total OPEB liability, beginning	10,323,177	12,719,976	10,921,855	9,576,384	9,523,853	10,219,279
Total OPEB liability, ending	<u>\$ 10,063,192</u>	<u>\$ 10,323,177</u>	<u>\$ 12,719,976</u>	<u>\$ 10,921,855</u>	<u>\$ 9,576,384</u>	<u>\$ 9,523,853</u>
Covered employee payroll	\$ 1,743,115	\$ 1,666,547	\$ 1,625,899	\$ 1,539,365	\$ 1,501,819	\$ 1,263,417
Total OPEB liability as a percentage of covered employee payroll	577.31%	619.44%	782.33%	709.50%	637.65%	753.82%
Discount rate	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%
Healthcare trend rates	6.50% to 5.00% by 2027	6.50% to 5.00% by 2025	7.00% 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.

