



**ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
December 31, 2023**

JERICHO WATER DISTRICT
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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissions
Jericho Water District
Syosset, New York

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jericho 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 Jericho 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 Jericho 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 Jericho 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 Jericho 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 Jericho 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 17 and 50 through 55, 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 56 comprises 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 6, 2024

JERICHO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of the Jericho Water District (District) annual financial report presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ended December 31, 2023 in comparison with the year ended December 31, 2022, with emphasis on the current year. This information 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 \$51,942,052 at December 31, 2023. This balance represents an increase of \$16,247,692 (45.52%) over the prior year. This was due to an excess of revenues over expenses using the economic resources measurement focus and accrual basis of accounting.
- The District's expenses for the year, as reflected in the district-wide financial statements, total \$16,906,294. Of this amount, \$20,252,606 was offset by charges for services, and capital grants and contributions. General revenues of \$12,901,380 amount to 38.91% of total revenues, and were adequate to cover the balance of operating expenses.
- The general fund's total fund balance, as reflected in the fund financial statements, increased by \$7,853,861. This was 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 of December 31, 2023, the District has the following bond authorizations:

Year Authorized	Amount Authorized	Issued	Unissued
2010	\$ 9,985,000	\$ 9,985,000	\$ -
2013/2017	20,895,000	15,650,000	5,245,000
2018	7,300,000	4,900,000	2,400,000
2019	33,229,000	29,358,000	3,871,000
2020	23,219,000	19,135,000	4,084,000
2022	39,149,150	13,000,000	26,149,150
	\$ 133,777,150	\$ 92,028,000	\$ 41,749,150

The District is continuing to make significant capital expenditures resulting from bond authorizations, grants, and general appropriations for capital improvements to District facilities. As of December 31, 2023, the District has expended approximately 57% of the authorizations and construction is ongoing.

- The District's 2023 property tax levy of \$6,793,170 was a 29.98% increase over the 2022 tax levy, which exceeded the tax cap of 2.40% and was approved by the Board of Commissioners. The increase in the tax levy was impacted by the increase in debt service that is being used to fund capital projects.

JERICHO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(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.

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(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

Governmental funds statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, claims and judgments, retainage, compensated absences, pension costs, and other postemployment benefits (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 District's total net position increased by \$51,942,052 between fiscal year 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:

JERICHO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

	2023	2022	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 42,998,550	\$ 47,026,502	\$ (4,027,952)	(8.57)%
Capital assets, net	117,428,506	82,354,816	35,073,690	42.59 %
Net pension asset - proportionate share	-	654,911	(654,911)	(100.00)%
Total Assets	160,427,056	130,036,229	30,390,827	23.37 %
Deferred Outflows of Resources	5,050,823	5,177,276	(126,453)	(2.44)%
Liabilities				
Current and other liabilities	10,776,771	14,224,918	(3,448,147)	(24.24)%
Long-term liabilities	81,788,899	63,875,385	17,913,514	28.04 %
Net pension liability - proportionate share	1,642,322	-	1,642,322	100.00 %
Total OPEB liability	13,916,121	14,577,976	(661,855)	(4.54)%
Total Liabilities	108,124,113	92,678,279	15,445,834	16.67 %
Deferred Inflows of Resources	5,411,714	6,840,866	(1,429,152)	(20.89)%
Net Position				
Net investment in capital assets	42,524,606	27,344,863	15,179,743	55.51 %
Restricted	13,561,211	9,472,501	4,088,710	43.16 %
Unrestricted (deficit)	(4,143,765)	(1,123,004)	(3,020,761)	(268.99)%
Total Net Position	\$ 51,942,052	\$ 35,694,360	\$ 16,247,692	45.52 %

The decrease in current and other assets is primarily due to a decrease in amounts due from other governments, which mainly consists of amounts held by the Town of Oyster Bay from the issuance of debt to fund capital projects. As the funds are expended the amounts due from the Town are decreased.

The increase in capital assets, net is due to current year additions exceeding depreciation/amortization expense. The accompanying Notes to Financial Statements, Note 8 "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) collective net pension assets, 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 the Financial Statements, Note 12 "Pension Plans – New York State" provides additional information.

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

The decrease in current and other liabilities is due to decreases in accounts payable and developer deposits, offset by increases in accrued liabilities, retainage payable, and amounts due to the short-term bond anticipation notes payable.

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

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

Net pension liability – proportionate share represents the District's share of the ERS's net pension liability at the measurement date of the respective year. The increase is due to the shift from net pension asset in the prior year to net pension liability in the current year. The accompanying Notes to Financial Statements, Note 12 "Pension Plan – New York State", provides additional information.

The total OPEB liability decreased from the prior year, based on the actuarial valuation for the plan. The accompanying Notes to Financial Statements, Note 14 "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. This balance as of December 31, 2023, is computed as follows:

Capital assets, net	\$ 117,428,506
Deduct:	
Capital related accounts payable	(3,675,336)
Retainage payable	(2,724,732)
Bond anticipation notes payable	(72,768,000)
Less: Unspent BAN proceeds	13,288,789
Bonds payable, net	<u>(9,024,621)</u>
	<u>\$ 42,524,606</u>

The restricted component of net position relates to the District's reserves. This balance increased over the prior year due to the funding of reserves and interest allocated to the reserves, and the restriction of net position for net pension assets, offset by the use of reserves to fund capital asset additions and debt service costs as well as the elimination of the amounts restricted for pension as there was a shift in the District's proportionate share from an asset to a liability.

The unrestricted (deficit) component of net position relates to the balance of the District's net position. This number 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:

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

	2023	2022	Increase (Decrease)	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 11,568,232	\$ 10,726,831	\$ 841,401	7.84 %
Capital grants & contributions	8,684,374	6,336,659	2,347,715	37.05 %
General revenues				
Real property taxes	6,793,269	5,226,536	1,566,733	29.98 %
Other tax items	303,980	249,320	54,660	21.92 %
Use of money & property	1,711,573	314,903	1,396,670	443.52 %
Other	4,092,558	1,574,430	2,518,128	159.94 %
Total Revenues	<u>33,153,986</u>	<u>24,428,679</u>	<u>8,725,307</u>	35.72 %
Expenses				
Program expenses				
Water administration	1,820,181	1,440,379	379,802	26.37 %
Source of supply, power & pumping	2,156,052	2,474,348	(318,296)	(12.86)%
Purification	797,877	773,757	24,120	3.12 %
Transmission & distribution	2,825,035	3,126,157	(301,122)	(9.63)%
Employee benefits	2,262,453	2,023,631	238,822	11.80 %
Debt service - interest	3,493,502	2,014,945	1,478,557	73.38 %
Depreciation	3,551,194	3,134,516	416,678	13.29 %
Total Expenses	<u>16,906,294</u>	<u>14,987,733</u>	<u>1,918,561</u>	12.80 %
Total Change in Net Position	<u>\$ 16,247,692</u>	<u>\$ 9,440,946</u>	<u>\$ 6,806,746</u>	72.10 %

The District's net position increased by \$16,247,692 and \$9,440,946 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:

- Other revenue includes proceeds from the sale of two properties that the District no longer needs for operations. The District did not have a similar sale in the prior year. In addition, other revenues include premiums received from the issuance of bond anticipation notes. The District received more in premiums than it had in the prior year.
- Capital grants and contributions increased as a result of capital improvements funded by the New York State Water Infrastructure Improvement Act (WIIA).
- Real property taxes were increased in accordance with the 2023 budget, which was increased in anticipation of increases in operating and debt service costs.
- Use of money and property increased as a result of higher interest earnings.
- Charges for services increased as a result of an upturn in water usage, as well as an escalation in water usage rates effective April 1, 2023.

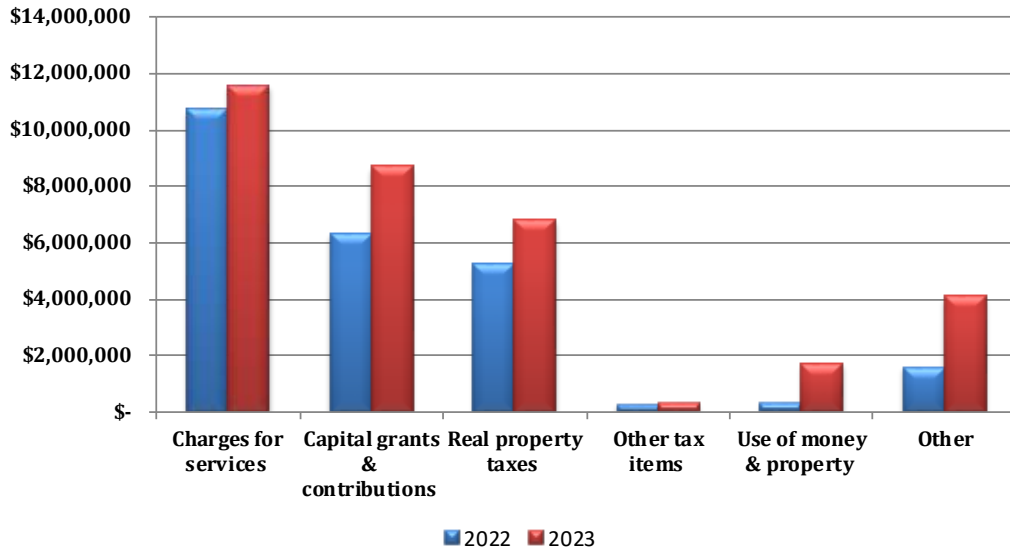
The District's expenses increased when compared to the prior year, mainly due to the following changes:

- Debt service – interest increased as additional debt was issued, and there was a rise in borrowing rates.
- Depreciation expense grew as a result of capital assets being placed into service.

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

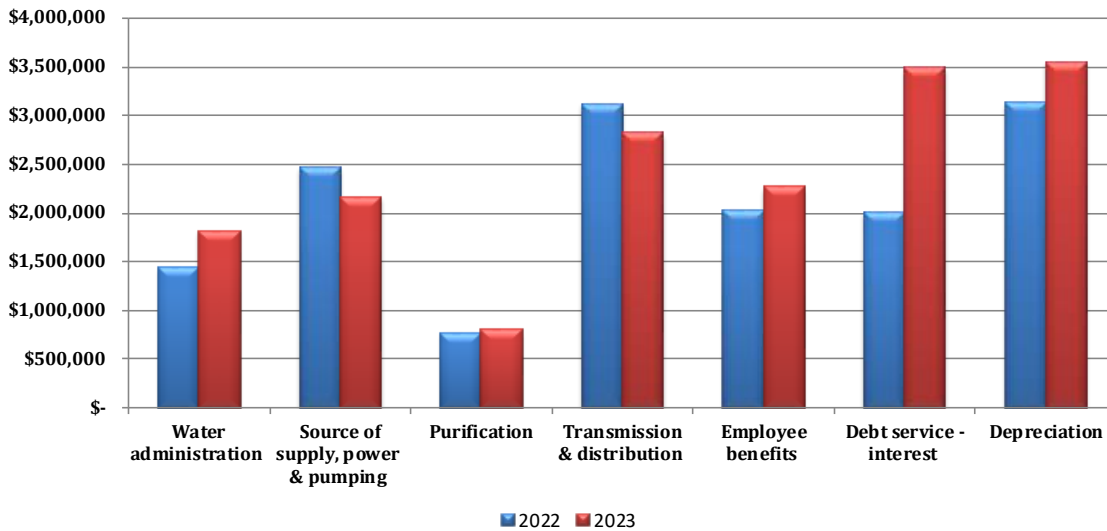
As graphically portrayed below, the District primarily relies on water use charges and real property taxes to support government operations. Collectively, they provided 55.38% and 65.31% of the District's revenues in fiscal years 2023 and 2022, respectively.

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



	Charges for services	Capital grants & contributions	Real property taxes	Other tax items	Use of money & property	Other
2022	43.91%	25.94%	21.40%	1.02%	1.29%	6.44%
2023	34.89%	26.19%	20.49%	0.92%	5.16%	12.35%

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



	Water administration	Source of supply, power & pumping	Purification	Transmission & distribution	Employee benefits	Debt service - interest	Depreciation
2022	9.61%	16.52%	5.16%	20.86%	13.50%	13.44%	20.91%
2023	10.77%	12.75%	4.72%	16.71%	13.38%	20.66%	21.01%

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of December 31, 2023, the governmental funds reported a combined fund balance of \$36,388,009, an increase of \$2,432,929. 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:

	2023	2022	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Inventory	\$ 414,377	\$ 275,235	\$ 139,142	50.55 %
Restricted:				
Employee benefit accrued liability	907,509	865,740	41,769	4.82 %
Retirement contribution	298,206	284,811	13,395	4.70 %
Capital	6,626,605	4,148,269	2,478,336	59.74 %
Repairs	1,197,678	668,624	529,054	79.13 %
Debt service	1,971,518	1,191,095	780,423	65.52 %
Assigned:				
Appropriated fund balance	150,000	120,000	30,000	25.00 %
Future debt service	6,350,000	5,100,000	1,250,000	24.51 %
Emerging contaminants	750,000	-	750,000	100.00 %
Encumbrances	130,874	351,731	(220,857)	(62.79)%
Unassigned: Fund balance	6,314,540	4,251,941	2,062,599	48.51 %
	<u>25,111,307</u>	<u>17,257,446</u>	<u>7,853,861</u>	45.51 %
Capital Projects Fund				
Restricted:				
Capital	2,439,740	1,333,068	1,106,672	83.02 %
Repairs	119,955	325,983	(206,028)	(63.20)%
Unspent bond proceeds	9,613,453	9,483,902	129,551	1.37 %
Assigned: Unappropriated fund balance	-	5,554,681	(5,554,681)	(100.00)%
Unassigned: Fund balance (deficit)	(896,446)	-	(896,446)	100.00 %
	<u>11,276,702</u>	<u>16,697,634</u>	<u>(5,420,932)</u>	(32.47)%
Total Governmental Funds				
Fund Balance	<u>\$ 36,388,009</u>	<u>\$ 33,955,080</u>	<u>\$ 2,432,929</u>	7.17 %

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 \$7,853,861, as revenues and other financing sources of \$24,640,573 exceeded expenditures and other financing uses of \$16,786,712.

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

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

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Real property taxes	\$ 6,793,269	\$ 5,226,536	\$ 1,566,733	29.98 %
Other tax items	303,980	249,320	54,660	21.92 %
Program revenues	11,691,756	10,530,858	1,160,898	11.02 %
Use of money and property	1,711,573	314,903	1,396,670	443.52 %
Fines and Forfeitures	103,470	73,750	29,720	40.30 %
Sale of property and compensation for loss	2,623,707	450,178	2,173,529	482.82 %
Miscellaneous	22,431	1,050,502	(1,028,071)	(97.86)%
Federal sources	50,000	-	50,000	100.00 %
Other financing sources	1,340,387	-	1,340,387	100.00 %
	<u>\$ 24,640,573</u>	<u>\$ 17,896,047</u>	<u>\$ 6,744,526</u>	37.69 %

- Sale of property and compensation for loss includes proceeds from the sale of two properties that the District no longer needs for operations. The District did not have a similar sale in the prior year.
- Property taxes increased due to an increase in the tax levy in accordance with the 2023 budget.
- Use of money and property increased as the District had higher interest earnings.
- Metered water sales increased as a result of an upturn in water usage, as well as an increase in water usage rates effective April 1, 2023.

The following is a summary of the major changes that resulted in expenditures and other financing uses increasing over the prior year:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Water Administration	\$ 1,855,576	\$ 1,435,046	\$ 420,530	29.30 %
Source of Supply, Power & Pumping				
Heat, light & power	2,156,052	2,474,348	(318,296)	(12.86)%
Purification	797,877	773,757	24,120	3.12 %
Transmission and Distribution	3,292,845	3,284,837	8,008	0.24 %
Employee Benefits	1,911,692	1,755,884	155,808	8.87 %
Debt Service	4,555,670	2,997,748	1,557,922	51.97 %
Other Financing Uses	2,217,000	2,846,848	(629,848)	(22.12)%
	<u>\$ 16,786,712</u>	<u>\$ 15,568,468</u>	<u>\$ 1,218,244</u>	7.83 %

- Debt service increased as additional debt was issued, and there was a rise in borrowing rates.
- Water administration increased as a result of a settlement agreement, as well as a growth in salaries.
- Other financing uses decreased mainly due to transferring less to the capital projects fund to provide financing for current capital projects and installation projects.
- Source of supply, power, and pumping decreased as the District had lower electricity costs due to a reduction in water pumpage.

JERICHO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

The following is a summary of the District's general fund restricted fund balance activities:

	<u>Balance at 12/31/22</u>	<u>Interest Earned</u>	<u>Funding</u>	<u>Use of Reserve</u>	<u>Balance at 12/31/23</u>
Employee benefit accrued liability	\$ 865,740	\$ 41,769	\$	\$	\$ 907,509
Retirement contribution	284,811	13,395			298,206
Capital	4,148,269	143,336	4,000,000	(1,665,000)	6,626,605
Repairs	668,624	29,054	500,000		1,197,678
Debt	1,191,095		1,971,518	(1,191,095)	1,971,518
	<u>\$ 7,158,539</u>	<u>\$ 227,554</u>	<u>\$ 6,471,518</u>	<u>\$ (2,856,095)</u>	<u>\$ 11,001,516</u>

In 2023, the District established and provided \$750,000 in funding to a new assignment for emerging contaminants. In addition, in accordance with the 2023 budget, the District increased the amounts assigned for future debt service by \$1,250,000 to \$6,350,000.

B. Capital Projects Fund

The capital projects fund is used to account for financial resources earmarked for specific capital projects. The net change in the capital projects fund – fund balance is a decrease of \$5,420,932. This decrease was due to expenditures of \$36,862,221 in excess of revenues and other financing sources of \$31,441,289. The District recognized \$20,558,000 in proceeds from long-term bond anticipation notes, \$1,787,000 in operating transfers in, \$31,915 in insurance recoveries, and \$34,469 in installation income. In addition, the District recognized \$8,599,905 in state source revenues from WIIA grant. The District's capital projects are for facility improvements and new water treatment infrastructure needed to treat for various new contaminants in accordance with State 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 \$17,823,370. This amount was increased by encumbrances carried forward from the prior year in the amount of \$351,731, and budget revisions in the amount of \$1,758,480, for a final budget of \$19,933,581.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$10,250,000 in metered water sales and \$6,793,170 in real property taxes.

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, appropriations to fund the subsequent year's budget, encumbrances, and amounts classified as nonspendable. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

Opening, Unassigned Fund Balance	\$ 4,251,941
Revenues and Other Financing Sources Over Budget	6,893,723
Expenditures, Other Financing Uses, and Encumbrances Under Budget	3,015,995
Unused appropriated reserves	(50,000)
Net Change in Nonspendable Fund Balance	(139,142)
Net Change in Restricted Fund Balance	(5,507,977)
Net Change in Assigned Fund Balance	(2,000,000)
Appropriated for the 2024 Budget	<u>(150,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 6,314,540</u>

Opening, Unassigned Fund Balance

The \$4,251,941 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 was \$17,746,850. Actual revenues recognized for the year were \$24,640,573. The excess of actual revenues and other financing sources over estimated or budgeted revenues was \$6,893,723. This excess was primarily within program revenues; use of money and property; sale of property and compensation for loss; and, other financing sources categories of the budget. The District sold two properties (sale of property and compensation for loss), received larger interest earnings due to higher interest rates (use of money and property), had greater metered water sales as a result of rate increases (program revenues), and issued bond anticipation notes receiving premium on obligations (other financing sources). 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 \$19,933,581. Actual expenditures and other financing uses for the year were \$16,786,712 and outstanding encumbrances were \$130,874. Combined, the expenditures and other financing uses and encumbrances for 2023 were \$16,917,586. The final budget was under expended by \$3,015,995. This under expenditure was primarily within source of supply, power & pumping; purification, transmission and distribution categories of the budget. The District anticipated opening the AOP treatment facilities in 2023; however, due to the facilities not opening, there was less demand for electric (source of supply, power and pumping), as well as chemicals and treatments, water analysis, and carbon replacement (purification) than was projected. Additionally, there were three vacant positions that were not filled during the year and there was less need for water main repairs, resulting in the under expenditure in the transmission and distribution category. This change contributes 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.

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

Unused Appropriated Reserves

In the 2023 budget, \$50,000 of reserves was appropriated to reduce the tax levy. Due to lower than anticipated expenditures, this funding was not needed and, therefore, was returned to the reserves for future use.

Net Change in Nonspendable Fund Balance

Nonspendable fund balance consists of inventory. The resulting balance sheet assets cannot be spent because they are not in spendable form. Accordingly, an equal amount of fund balance is classified as nonspendable. The increase in nonspendable fund balance reduces unassigned fund balance.

Net Change in Restricted Fund Balance

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 table in §4.A. of this MD&A, details the allocation of interest earning and funding transfers to the reserves, net of the use of the amounts restricted for debt to offset debt service payments.

Net Change in Assigned Fund Balance

The \$2,000,000 shown in the table represents an additional assignment for future debt service and funding of the assignment for emerging contaminants. The increase in the assignment decreases unassigned fund balance.

Appropriated Fund Balance

The District has chosen to use \$150,000 of available December 31, 2023 unassigned fund balance to partially fund the 2024 approved operating budget. As such, the December 31, 2023 unassigned fund balance must be reduced by this amount.

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 \$6,314,540. This is an increase of \$2,062,599 in the unassigned balance over the prior year.

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 \$38,654,236 in excess of depreciation/amortization expense of \$3,551,194 and \$29,352 of proceeds from the sale of capital assets 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:

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

	2023	2022	Increase (Decrease)
Land	\$ 284,000	\$ 304,000	\$ (20,000)
Construction work in progress	46,474,779	28,739,382	17,735,397
Buildings and improvements	7,978,430	3,547,035	4,431,395
Improvements other than buildings	3,498,565	3,200,144	298,421
Machinery & equipment	22,862,819	21,195,557	1,667,262
Infrastructure (water mains)	9,100,887	9,081,902	18,985
Wells, water tanks & structures	27,222,515	16,276,658	10,945,857
Software	6,511	10,138	(3,627)
	<u>\$ 117,428,506</u>	<u>\$ 82,354,816</u>	<u>\$ 35,073,690</u>
Capital assets, net			

The majority of the additions were for the ongoing infrastructure improvements for new water treatments.

The District is continuing to make significant capital expenditures resulting from bond authorizations, grants and general fund appropriations for capital improvements to District facilities. As of December 31, 2023, the District has expended approximately 57% of the authorizations and construction is ongoing.

B. Debt Administration

At December 31, 2023, the District had combined long-term debt of \$80,737,700. The bond anticipation notes 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 represents 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%	\$ -	\$ 53,150,000	\$(53,150,000)
	2023	5.00%	71,958,000	-	71,958,000
			<u>\$ 71,958,000</u>	<u>\$ 53,150,000</u>	<u>\$ 18,808,000</u>
Bonds payable					
	2018	3.00 - 4.00%	\$ 5,712,000	\$ 6,197,000	\$ (485,000)
	2021	2.00 - 4.00%	700,000	821,000	(121,000)
	2022	5.00%	2,367,700	2,608,300	(240,600)
			<u>\$ 8,779,700</u>	<u>\$ 9,626,300</u>	<u>\$ (846,600)</u>

The District has received authorization from the Town of Oyster Bay to issue a total of \$133,777,150 in serial bonds to fund capital improvements to the District's facilities and infrastructure, including meter replacements. As of December 31, 2023, the District has issued \$92,028,000 in bonds and bond anticipation notes related to these authorizations and \$41,749,150 remains unissued.

Additional information on the District's long-term debt can be found in Note 11 "Long-Term Liabilities" of the Notes to Financial Statements.

JERICHO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are estimated amounts due for compensated absences, which are based on employment contracts, and net pension liability – proportionate share and total 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	\$ 806,278	\$ 782,058	\$ 24,220
Net pension liability - proportionate share	1,642,322	-	1,642,322
Total OPEB liability	13,916,121	14,577,976	(661,855)
	\$ 16,364,721	\$ 15,360,034	\$ 1,004,687

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 7, 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 \$21,701,000 represents a \$3,877,630 (21.76%) increase over the 2023 budget. The majority of this increase is within pumping and distribution of water, and debt service. Partial funding for the budget will be provided by estimated non-property tax revenues of \$11,990,562, which is an increase of \$1,130,362 (9.12%). Additionally, the District has elected to appropriate \$150,000 from unassigned fund balance, which is an increase of \$30,000 over the previous year and \$50,000 of reserves towards the next year's budget. The real property tax levy of \$9,510,438 will provide the balance of the funding for the budget, which is an increase of \$2,717,268 (40%) 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 continued to budget conservatively for 2023. 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:

	Gallons billed (millions)	Water Revenue Recognized in General Fund (thousands)
2023	4,703	\$ 11,513
2022	4,830	10,379
2021	4,803	9,829
2020	4,628	9,436
2019	4,518	8,872
2018	4,605	8,511

JERICO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Continued)

C. Tax Cap

New York State law limits the increase in the property tax levy of municipalities to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Municipalities may override the tax levy limit by drafting a local law or resolution that overrides the tax levy limit and having it approved by a 60 percent rate of the governing body. Based on the law, the District's tax levy cap for 2024 is 2.04%. The District's tax levy increase of 40%, as approved by the Board of Commissioners, exceeds the cap for 2024. The increase to real property taxes was imposed, most significantly due to debt service costs related to significant infrastructure improvements.

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 Jericho Water District's Business Manager at Jericho Water District, 125 Convent Road, Syosset, New York 11791.

JERICO WATER DISTRICT
Statement of Net Position
December 31, 2023

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 10,670,658
Restricted	13,561,211
Receivables	
Accounts receivable, net	2,864,088
Due from state and federal	202,162
Due from other governments	14,843,555
Inventory	414,377
Prepays	442,499
Capital assets not being depreciated/amortized	46,758,779
Capital assets being depreciated, net of accumulated depreciation/amortization	<u>70,669,727</u>
Total Assets	<u>160,427,056</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	1,331,297
Other postemployment benefits	<u>3,719,526</u>
Total Deferred Outflows of Resources	<u>5,050,823</u>

LIABILITIES

Payables	
Accounts payable	3,859,188
Accrued liabilities	3,194,695
Retainage payable	2,724,732
Bond anticipation notes payable	810,000
Developer deposits	99,330
Unearned credits - collections in advance	88,826
Long-term liabilities	
Due within one year	
Bond anticipation notes payable	2,180,000
Bonds payable, net	941,655
Compensated absences payable	73,091
Total other postemployment benefits liability	445,161
Due after one year	
Bond anticipation notes payable	69,778,000
Bonds payable, net	8,082,966
Compensated absences payable	733,187
Total other postemployment benefits liability	13,470,960
Net pension liability - proportionate share	<u>1,642,322</u>
Total Liabilities	<u>108,124,113</u>

DEFERRED INFLOWS OF RESOURCES

Pension	106,055
Other postemployment benefits	<u>5,305,659</u>
Total Deferred Inflows of Resources	<u>5,411,714</u>

NET POSITION

Net investment in capital assets	42,524,606
Restricted:	
Retirement contribution	298,206
Employee benefit accrued liability	907,509
Capital	9,066,345
Repairs	1,317,633
Debt	<u>1,971,518</u>
Unrestricted (deficit)	<u>(4,143,765)</u>
Total Net Position	<u>\$ 51,942,052</u>

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

Program Revenues	
Charges for services	\$ 11,568,232
Capital grants and contributions	<u>8,684,374</u>
 Total Program Revenues	 <u>20,252,606</u>
Program Expenses	
Home and community services	
Water supply services	
Water administration	1,820,181
Source of supply, power and pumping	2,156,052
Purification	797,877
Transmission and distribution	2,825,035
Employee benefits	2,262,453
Debt service - interest	3,493,502
Depreciation/amortization	<u>3,551,194</u>
 Total Program Expenses	 <u>16,906,294</u>
 Net Program Revenue	 <u>3,346,312</u>
General Revenues	
Real property taxes	6,793,269
Other tax items	303,980
Use of money and property	1,711,573
Fines and forfeitures	103,470
Sale of property and compensation for loss	2,626,270
Miscellaneous	<u>1,362,818</u>
 Total General Revenues	 <u>12,901,380</u>
 Change in Net Position	 16,247,692
 Net Position - Beginning of Year	 <u>35,694,360</u>
 Net Position - End of Year	 <u><u>\$ 51,942,052</u></u>

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

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 9,934,943	\$ 735,715	\$ 10,670,658
Restricted	11,001,516	2,559,695	13,561,211
Receivables			
Accounts receivable, net	2,864,088		2,864,088
Due from other funds	359,757		359,757
Due from state and federal		202,162	202,162
Due from other governments	2,130,362	12,713,193	14,843,555
Inventory	414,377		414,377
	\$ 26,705,043	\$ 16,210,765	\$ 42,915,808
LIABILITIES			
Payables			
Accounts payable	\$ 183,852	\$ 3,675,336	\$ 3,859,188
Accrued liabilities	134,929		134,929
Due to other funds		359,757	359,757
Bond anticipation notes payable		810,000	810,000
Developer deposits	10,360	88,970	99,330
Unearned credits - collections in advance	88,826		88,826
	417,967	4,934,063	5,352,030
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - unbilled metered water sales	1,175,769		1,175,769
FUND BALANCES			
Nonspendable: Inventory	414,377		414,377
Restricted:			
Retirement contribution	298,206		298,206
Employee benefit accrued liability	907,509		907,509
Capital	6,626,605	2,439,740	9,066,345
Repairs	1,197,678	119,955	1,317,633
Debt	1,971,518		1,971,518
Unspent long-term BAN proceeds		9,613,453	9,613,453
Assigned:			
Appropriated fund balance	150,000		150,000
Future debt service	6,350,000		6,350,000
Emerging contaminants	750,000		750,000
Unappropriated fund balance	130,874		130,874
Unassigned: Fund balance (deficit)	6,314,540	(896,446)	5,418,094
	25,111,307	11,276,702	36,388,009
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,705,043	\$ 16,210,765	\$ 42,915,808

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

Total Governmental Fund Balances \$ 36,388,009

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 among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 152,380,080	
Less: Accumulated depreciation	<u>(34,951,574)</u>	
Capital assets, net		117,428,506

Prepaid items are accounted for as expenditures in the period of acquisition, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes prepaid items among the assets of the District as a whole. 442,499

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

Deferred outflows of resources	1,331,297	
Net pension liability - proportionate share	(1,642,322)	
Deferred inflows of resources	<u>(106,055)</u>	
		(417,080)

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	3,719,526	
Total other postemployment benefits liability	(13,916,121)	
Deferred inflows of resources	<u>(5,305,659)</u>	
		(15,502,254)

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. 1,175,769

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	(3,059,766)	
Retainage payable	(2,724,732)	
Bond anticipation notes payable	(71,958,000)	
Bonds payable, net	(9,024,621)	
Compensated absences payable	<u>(806,278)</u>	
		<u>(87,573,397)</u>

Total Net Position \$ 51,942,052

JERICHO 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	\$ 6,793,269	\$	\$ 6,793,269
Other tax items	303,980		303,980
Program revenues	11,691,756		11,691,756
Use of money and property	1,711,573		1,711,573
Fines and forfeitures	103,470		103,470
Sale of property and compensation for loss	2,623,707	31,915	2,655,622
Miscellaneous	22,431		22,431
Installation income		34,469	34,469
State sources		8,599,905	8,599,905
Federal sources	50,000		50,000
Total Revenues	23,300,186	8,666,289	31,966,475
Expenditures			
Water administration	1,855,576		1,855,576
Source of supply, power and pumping	2,156,052		2,156,052
Purification	797,877		797,877
Transmission and distribution	3,292,845		3,292,845
Employee benefits	1,911,692		1,911,692
Debt service			
Principal	2,596,600		2,596,600
Interest	1,959,070		1,959,070
Capital outlay		36,862,221	36,862,221
Total Expenditures	14,569,712	36,862,221	51,431,933
Excess (Deficiency) of Revenues over Expenditures	8,730,474	(28,195,932)	(19,465,458)
Other Financing Sources and (Uses)			
Premium on obligations	1,340,387		1,340,387
Proceeds of debt		20,558,000	20,558,000
Operating transfers in		1,787,000	1,787,000
Operating transfers (out)	(1,787,000)		(1,787,000)
BANs redeemed			
Operating transfers in		430,000	430,000
Operating transfers (out)	(430,000)		(430,000)
Total Other Financing Sources and (Uses)	(876,613)	22,775,000	21,898,387
Net Change in Fund Balances	7,853,861	(5,420,932)	2,432,929
Fund Balances - Beginning of Year	17,257,446	16,697,634	33,955,080
Fund Balances - End of Year	<u>\$ 25,111,307</u>	<u>\$ 11,276,702</u>	<u>\$ 36,388,009</u>

JERICHO 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		\$ 2,432,929
<u>Long-term Revenue and Expense Differences</u>		
<p>Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.</p>		
	\$ (123,524)	
<p>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.</p>		
Increase in compensated absences payable	(24,220)	
<p>Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may be less than the amounts incurred during the year resulting in a decrease in a long-term asset (prepaid) and a decrease in net position.</p>		
Increase in prepaid items	41,532	(106,212)
<u>Capital Related Differences</u>		
<p>Capital outlays to purchase, construct, improve, or acquire 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/amortization expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation/amortization in the period.</p>		
Capital outlays and other additions	38,654,236	
Depreciation expense	(3,551,194)	
	35,103,042	
<p>Proceeds from the sale of capital assets are reported as revenue in the governmental funds; however, they are reduced by the net book value (cost less accumulated depreciation/amortization) in the Statement of Activities.</p>		
	(29,352)	
<p>Retainage payable is withheld from progress payments to contractors for ongoing capital projects until satisfactory completion. It is not a liability in the governmental 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. Retainage payable increased over the prior year by:</p>		
	(1,324,204)	33,749,486
<u>Long-Term Debt Transactions</u>		
<p>Proceeds from the issuance of long-term bond anticipation notes are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not effect the Statement of Activities.</p>		
	(20,558,000)	
<p>The amortization of the deferred premium on the refunding of bonds, decreases interest expense in the Statement of Activities.</p>		
	72,106	
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>		
Bond anticipation notes	1,750,000	
Bond payable	846,600	
<p>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 over December 31, 2022 to December 31, 2023.</p>		
	(1,606,538)	(19,495,832)
<u>Pension and Other Postemployment Benefits Differences</u>		
<p>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.</p>		
Employees' retirement system	(312,975)	
Other postemployment benefits	(19,704)	(332,679)
Change in Net Position of Governmental Activities		\$ 16,247,692

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jericho 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 1923, 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 and contributions reflect capital-specific grants and contributions, if applicable.

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

Fund Financial Statements

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

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

General Fund - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Capital Projects 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 repair of capital facilities and other capital assets.

C. Measurement Focus and Basis of Accounting

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

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange 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 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 60 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. Expenditures for prepaid items are recognized as expenditures at the time of purchase. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Real Property Taxes

Calendar

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

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

E. Payment in Lieu of Taxes (PILOT)

The District reports 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 payments 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 \$136,819 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 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.

JERICHO 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 within the New York Cooperative Liquid Assets Securities System (NYCLASS).

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

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves.

J. Receivables, Net

Receivables include amounts due from customers. Receivables are recorded and revenues recognized as earned in the district-wide financial statements and when available in the fund financial statements. Revenue from unbilled water usage at year end is recognized in the district-wide financial statements. Receivables are shown net of allowance for uncollectibles, if any.

K. Inventory and Prepaids

Inventory consists of supply type items and are recorded at cost using an average cost basis, which approximates market, using the first-in, first-out basis. These items are reported as assets using the consumption method. A current asset for inventory 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 does not constitute available spendable resources.

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 an asset in the district-wide financial statements. In the governmental funds, prepaid items are recorded as expenditures in the period the payments are made using the purchase method.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

L. Capital Assets

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

Capitalization thresholds, (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation/amortization 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	\$ 5,000	Straight line	40 years
Improvements	5,000	Straight line	20 years
Machinery and equipment	5,000	Straight line	5 - 20 years
Infrastructure (water mains)	5,000	Straight line	40 - 50 years
Wells, water tanks & structures	5,000	Straight line	40 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 total OPEB not included in OPEB expense.

N. Short-Term Debt

The Town of Oyster Bay may issue bond anticipation notes (BAN) on behalf of the District, 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.

O. Developer Deposits

Developer deposits represent funds advanced from real estate developers for the installation of new water mains and connection to the District's water distribution system. Any funds remaining after the installation is completed are refunded to the developer.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

P. Collections in Advance

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

Q. Employee Benefits - Compensated Absences

Compensated absences consist of unpaid accumulated vacation and sick leave.

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days per year, but may accumulate no more than a maximum of 60 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 13 days per year and may accumulate such credits up to a total of 240 days. Upon separation from service other than termination for cause, employees are paid for a percentage of their unused accumulated sick leave, which ranges from 50% to 100% based on the number of years employed.

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 collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine 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 cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of 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*.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

S. Long-Term Debt

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

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. Premiums received on long-term debt issuances are reported as other financing sources. Further, 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 bonds 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 (revenues/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 unbilled water sales. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the district-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pension reported in the district-wide Statement of Net Position and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in the collective pension expense. The third item is related to OPEB 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/amortization) 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.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

A.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, which is recorded in the general fund.

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

Retirement Contribution Reserve - Retirement Contribution Reserve General Municipal Law (GML) §6-r is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. The reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve – Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefits primarily based on unused and unpaid sick leave, personal leave, holiday leave or vacation leave due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

Capital Reserve – Capital reserve general was established pursuant to §6-c of the General Municipal Law of the State of New York for capital improvement and capital machinery and equipment. 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.

Repairs Reserve – Repairs Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board, without voter approval, may establish a repair reserve fund by a majority vote of its members. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. These reserves are accounted for in the general fund and capital projects fund.

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

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Unspent long-term 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 also includes 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 Future Debt Service – The balance represents an amount set aside to make future debt service payments on new serial bonds.

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.

B.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 modification 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. It is the intention of the Board of that the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the committed fund balance to the extent that there is a commitment, to assigned fund balance to that there is an assignment, and then to the unassigned fund balance.

2. FUTURE ACCOUNTING STANDARDS

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

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Effective for the Year Ending	Statement
December 31, 2024	GASB No. 99 – <i>Omnibus 2022</i>
December 31, 2024	GASB No. 101 – <i>Compensated Absences</i>
December 31, 2026	GASB No. 102 – <i>Certain Risk Disclosures</i>

GASB statement No. 99 provides additional guidance to enhance comparability in accounting and financial reporting to improve consistency of previously issued literature.

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.

GASB Statement No. 102 was issued to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

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

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

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

Total fund balances of the District’s governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental funds 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.

A.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.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B.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 or financing of capital items in the fund statements and depreciation/amortization expense on those items as recorded in the Statement of Activities.

C.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.

D.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.
- A public hearing is held in September, the first Thursday after the first Tuesday of the month.
- 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

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:	
Restricted fund balances	
Engineering for DH architectural improvements	\$ 1,534,000
Engineering services for WIIA grant applications	131,000
Closing fees from land sale funded by revenue	<u>93,480</u>
 Total Budget Revisions	 <u><u>\$ 1,758,480</u></u>

Budgets are adopted annually on a basis consistent with GAAP. 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:

	Beginning Balance	Interest Earned	Funding	Use of Reserve	Ending Balance
General Fund					
Retirement contribution	\$ 284,811	\$ 13,395	\$	\$	\$ 298,206
Employee benefit accrued liability	865,740	41,769			907,509
Capital	4,148,269	143,336	4,000,000	(1,665,000)	6,626,605
Repairs	668,624	29,054	500,000		1,197,678
Debt	1,191,095		1,971,518	(1,191,095)	1,971,518
 Capital Projects Fund					
Capital	1,333,068		1,665,000	(558,328)	2,439,740
Repairs	325,983			(206,028)	119,955
Unspent long-term BAN proceeds	9,483,902		20,988,000	(20,858,449)	9,613,453
	<u>\$18,301,492</u>	<u>\$ 227,554</u>	<u>\$29,124,518</u>	<u>\$(24,478,900)</u>	<u>\$23,174,664</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 commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Capital Projects Fund

The capital projects fund has an unassigned fund balance deficit of \$896,446. This will be funded when the District obtains permanent financing and/or grant revenues.

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. Investments are stated at fair value.

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

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

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

The District did not have any investments at year-end or during the year, 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 holds 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 GML §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 and equivalents as follows:

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	Carrying Amount
General Fund	\$11,887,512
Capital Projects	1,453,070
	\$13,340,582

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, NET

Accounts receivable at December 31, 2023 consisted of:

Metered water sales, billed	\$ 1,620,131
Metered water sales, unbilled	821,451
Water tax liens	368,625
Penalties	44,366
Miscellaneous	9,515
	\$ 2,864,088

District management expects these amounts to be fully collectible.

7. DUE FROM OTHER GOVERNMENTS

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

General Fund	
Town of Oyster Bay	
Premiums on obligations	\$ 1,340,387
Payments in lieu of taxes	152,176
Interest	637,799
	2,130,362
Capital Projects Fund	
Town of Oyster Bay	
BAN proceeds held by Town	12,713,193
	\$ 14,843,555

District management expects these amounts to be fully collectible.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. CAPITAL ASSETS

A. Changes

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated/amortized:				
Land	\$ 304,000	\$	\$ (20,000)	\$ 284,000
Construction work in progress	28,739,382	36,946,190	(19,210,793)	46,474,779
Total capital assets not being depreciated/amortized	29,043,382	36,946,190	(19,230,793)	46,758,779
Capital assets being depreciated/amortized:				
Buildings and improvements	8,291,702	4,696,491		12,988,193
Improvements other than buildings	6,504,850	557,989	(38,532)	7,024,307
Machinery & equipment	34,692,765	3,265,381	(294,479)	37,663,667
Infrastructure (water mains)	15,968,584	374,893		16,343,477
Wells, water tanks & structures	20,433,166	12,024,085	(903,011)	31,554,240
Software	47,417			47,417
Total capital assets being depreciated/amortized	85,938,484	20,918,839	(1,236,022)	105,621,301
Less accumulated depreciation/amortization for:				
Buildings and improvements	4,744,667	265,096		5,009,763
Improvements other than buildings	3,304,706	250,216	(29,180)	3,525,742
Machinery & equipment	13,497,208	1,598,119	(294,479)	14,800,848
Infrastructure	6,886,682	355,908		7,242,590
Wells, water tanks & structures	4,156,508	1,078,228	(903,011)	4,331,725
Software	37,279	3,627		40,906
Total accumulated depreciation/amortization	32,627,050	3,551,194	(1,226,670)	34,951,574
Total capital assets being depreciated/amortized, net	53,311,434	17,367,645	(9,352)	70,669,727
Capital assets, net	\$ 82,354,816	\$ 54,313,835	\$(19,240,145)	\$ 117,428,506

Depreciation expense totaled \$3,551,194 for the year ended December 31, 2023.

B. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital or intangible 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.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

9. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$ 359,757	\$	\$	\$ 2,217,000
Capital Projects Fund		359,757	2,217,000	
	<u>\$ 359,757</u>	<u>\$ 359,757</u>	<u>\$ 2,217,000</u>	<u>\$ 2,217,000</u>

Interfund receivables and payables are eliminated on the Statement of Net Position. The District transferred funds from the general fund to the capital projects fund in accordance with the budget and various approvals throughout the year to fund current capital projects.

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

10. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	Maturity	Stated Interest Rate	Balance 12/31/22	Issued	Redeemed	Balance 12/31/23
BAN	3/9/2023	3.00%	\$ 430,000	\$	\$ (430,000)	\$ -
BAN	3/8/2024	5.00%	-	810,000		810,000
			<u>\$ 430,000</u>	<u>\$ 810,000</u>	<u>\$ (430,000)</u>	<u>\$ 810,000</u>

The BAN was issued to provide cash for the District's capital projects.

The Town of Oyster Bay, on behalf of the District, issued \$72,768,000 in BANs during the year ended December 31, 2023; however, \$71,958,000 of these BANs were renewed prior to the financial statements being issued and were treated as long-term liabilities. The \$810,000 was paid on March 9, 2023, and as such, was treated as short-term.

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

Interest paid	\$ 12,900
Less: interest accrued in the prior year	(10,461)
Plus: interest accrued in the current year	32,844
Total expense	<u>\$ 35,283</u>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension, 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
Long-term debt:					
BANs payable	\$ 53,150,000	\$ 20,558,000	\$ (1,750,000)	\$ 71,958,000	\$ 2,180,000
Bonds payable	9,626,300		(846,600)	8,779,700	878,500
Premium on refunding	317,027		(72,106)	244,921	63,155
	<u>9,943,327</u>		<u>(918,706)</u>	<u>9,024,621</u>	<u>941,655</u>
	<u>63,093,327</u>	<u>20,558,000</u>	<u>(2,668,706)</u>	<u>80,982,621</u>	<u>3,121,655</u>
Other long-term liabilities:					
Compensated absences	782,058	24,220		806,278	73,091
Total OPEB liability	<u>14,577,976</u>		<u>(661,855)</u>	<u>13,916,121</u>	<u>445,161</u>
	<u>\$ 78,453,361</u>	<u>\$ 20,582,220</u>	<u>\$ (3,330,561)</u>	<u>\$ 95,705,020</u>	<u>\$ 3,639,907</u>

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

Additions and reductions to compensated absences are shown net since it is impractical to separately determine these amounts. The maturity of compensated absences is not determinable. Full detail on total OPEB liability can be found in Note 14 "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%	\$ 53,150,000	\$	\$(53,150,000)	\$ -
BAN	3/8/2024	5.00%	-	71,958,000		71,958,000
			<u>\$ 53,150,000</u>	<u>\$ 71,958,000</u>	<u>\$(53,150,000)</u>	<u>\$ 71,958,000</u>

JERICO 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 serial bonds	2018	2033	3.00 - 4.00%	\$ 5,712,000
Refunding public improvement serial bonds	2021	2028	2.00 - 4.00%	700,000
Refunding public improvement serial bonds	2022	2031	5.00%	2,367,700
				\$ 8,779,700

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 878,500	\$ 324,380	\$ 1,202,880
2025	908,700	291,350	1,200,050
2026	937,300	256,575	1,193,875
2027	971,300	219,884	1,191,184
2028	1,011,400	181,834	1,193,234
2029 - 2033	4,072,500	379,577	4,452,077
	\$ 8,779,700	\$ 1,653,600	\$ 10,433,300

D. Current Bond Refunding

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:

Year Ending December 31,	Amount
2024	\$ 63,155
2025	53,777
2026	43,996
2027	33,791
2028	23,128
2029-2031	27,074
	\$ 244,921

E. Interest Expense

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

Interest paid	\$ 1,946,170
Less: interest accrued in the prior year	(1,442,767)
Plus: interest accrued in the current year	3,026,922
Less: amortization of deferred premium on refunding	(72,106)
Total expense	\$ 3,458,219

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Unissued Debt

As of December 31, 2023, the District has the following unissued debt:

Year Authorized	Amount Authorized	Issued	Unissued
2010	\$ 9,985,000	\$ 9,985,000	\$ -
2013/2017	20,895,000	15,650,000	5,245,000
2018	7,300,000	4,900,000	2,400,000
2019	33,229,000	29,358,000	3,871,000
2020	23,219,000	19,135,000	4,084,000
2022	39,149,150	13,000,000	26,149,150
	<u>\$133,777,150</u>	<u>\$ 92,028,000</u>	<u>\$ 41,749,150</u>

12. PENSION PLANS – NEW YORK STATE

A. Plan Description

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

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found on the NYS Comptroller’s website at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees’ Retirement System, 110 State Street, Albany, NY 12244.

B. Funding Policy

The system is noncontributory for the employee except for those who either joined the system after July 27, 1976, with less than ten years of credited service, who contribute 3% of their salary, or joined the system on or after January 1, 2010 and before April 1, 2012, who contribute 3% of their salary throughout active membership. For employees hired after April 1, 2012, employee contribution rates are on a sliding scale based on salaries and range from 3% to 6% of salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions for the ERS’ fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the ERS for the current year. The District’s average contribution rate was 11.62% 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 \$313,564, at an average contribution rate of 12.78%.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ (1,642,322)
District's portion of the Plan's total net pension liability	0.0076586 %
Change in proportion since the prior measurement date	(0.0003529)

For the year ended December 31, 2023, the District recognized pension expense of \$621,367 for 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	Inflows of Resources
Differences between expected and actual experience	\$ 174,920	\$ 46,123
Changes in assumptions	797,618	8,815
Net difference between projected and actual earnings on pension plan investments		9,649
Changes in proportion and differences between the District's contributions and proportionate share of contributions	123,586	41,468
District contributions subsequent to the measurement date	235,173	
Total	<u>\$ 1,331,297</u>	<u>\$ 106,055</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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	\$ 252,019
2025	(69,132)
2026	356,306
2027	450,876
	<u>\$ 990,069</u>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

A. 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 valuations as of April 1, 2021 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.

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

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
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	<u>1.0%</u>	0.00%
	100.0 %	

Real rates of return are net of a long-term inflation assumption of 2.50%.

B. 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,

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

C. 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)	\$ (3,968,789)	\$ (1,642,322)	\$ 301,711

D. Pension Plan Fiduciary Net Position

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

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

E. 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 November. This resulted in a prepayment of \$78,391 for the period of January 1, 2024 through March 31, 2024. Employee contributions are remitted monthly.

13. 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 \$138,674.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides other postemployment benefits to eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions in the various contracts that the District has in place with different classifications of employees. 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.

Employee Covered Benefit Terms – At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled to but not yet receiving benefits	-
Active employees	36
	61

B. Total OPEB Liability

The District’s total OPEB liability of \$13,916,121 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

Salary increases	2.50%	average, including inflation
Discount rate	3.26%	
Healthcare cost trend rates	7.00%	decreasing to an ultimate rate of 5.00% by 2027
Retirees' share of benefit-related costs	0 - 10%	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 mortality table projected fully generationally using projection scale MP-2021.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Changes in the Total OPEB Liability

Balance at December 31, 2022	<u>\$ 14,577,976</u>
Changes for the year	
Service cost	311,473
Interest on total OPEB liability	471,722
Changes of benefit terms	-
Differences between expected and actual experience	(2,395,782)
Changes in assumptions or other inputs	1,345,058
Benefit payments	<u>(394,326)</u>
	<u>(661,855)</u>
Balance at December 31, 2023	<u>\$ 13,916,121</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.72% in 2022 to 3.06% in 2023. The demographic assumptions have been updated to reflect the “Development of Recommended Actuarial Assumptions” for New York/SUNY GASB 75 Valuation prepared by AON Hewitt in August 2022. The mortality table has been updated to reflect an updated projection scale. The healthcare cost trend rate was reset to 7.00% in 20223, grading down 0.5% per annum to an ultimate rate of 5.00% in years 2027 and later.

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

	1% Decrease	Discount Rate	1% Increase
OPEB	2.26%	3.26%	4.26%
Total OPEB liability	<u>\$ (16,422,900)</u>	<u>\$ (13,916,121)</u>	<u>\$ (11,948,975)</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 (6.00% decreasing to 4.00%) or 1 percentage point higher (8.00% decreasing to 6.00%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
OPEB	6.00% decreasing to 4.00%	7.00% decreasing to 5.00%	8.00% decreasing to 6.00%
Total OPEB liability	<u>\$ (11,840,066)</u>	<u>\$ (13,916,121)</u>	<u>\$ (16,590,426)</u>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

For the year ended December 31, 2023, the District recognized OPEB expense of \$414,030. 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	\$ 1,524,290	\$ 2,209,790
Changes of assumptions	2,195,236	3,095,869
Total	\$ 3,719,526	\$ 5,305,659

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	\$ (200,605)
2025	(232,416)
2026	(414,184)
2027	(268,841)
2028	(470,087)
	\$ (1,586,133)

15. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate \$50,000 from the employee benefit accrued liability reserve, which is reported in the December 31, 2023 restricted fund balances, to fund the budget and reduce property taxes for the year ending December 31, 2024.

16. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$150,000 has been appropriated to reduce property taxes 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 abatements, was unavailable. The District received PILOT payments totaling \$165,161.

The District also recognized \$136,819 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.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 over the last three years.

19. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

At December 31, 2023, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	
Capital	<u>\$ 65,840,772</u>
Assigned: Unappropriated Fund Balance	
General Fund	
Water Administration	\$ 21,030
Purification	68
Transmission and Distribution	<u>109,776</u>
	130,874
Capital Projects Fund	
Capital	<u>260,700</u>
	<u>\$ 391,574</u>

B. Grants

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

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. The District believes the outcome of most matters will not have a material effect on these financial statements.

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:

A. Reserves

On January 10, 2024, the Board approved to a permissive referendum for the use of capital reserve funds in the amount of \$74,000 for a new SCADA system.

On March 15, 2024, the Board approved the use of the repairs reserve in the amount os \$200,000 for water main repairs.

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Bond Anticipation Notes Payable

On March 7, 2024, the Town of Oyster Bay issued BANs on behalf of the District in the amount of \$78,578,000, which mature on March 7, 2025 and bear interest at 4.00%. These BANs, along with \$2,990,000 in general fund appropriations, were used to pay \$72,768,000 in outstanding BANs and provide additional funding for capital projects in the amount of \$8,800,000.

C. Significant Contracts Awarded

The Board approved the following significant contracts:

- 1,4 Dioxane and PFOA treatment at Well 22, general construction - \$3,818,200
- 1,4 Dioxane and PFOA treatment at Well 22, engineering - \$213,000
- Architectural improvements at Convent Road, general construction - \$948,000
- Architectural improvements at Convent Road, engineering - \$384,540

JERICHO 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	\$ 6,793,170	\$ 6,793,170	\$ 6,793,269	\$ 99
Other tax items	100,000	100,000	303,980	203,980
Program revenues				
Metered water sales	10,250,000	10,250,000	11,513,399	1,263,399
Hydrant and sprinkler permits	25,000	25,000	17,350	(7,650)
Interest and penalties - water rents	55,000	55,000	150,957	95,957
Implementation charges	6,000	6,000	10,050	4,050
Total program revenues	<u>10,336,000</u>	<u>10,336,000</u>	<u>11,691,756</u>	<u>1,355,756</u>
Use of money and property	47,500	47,500	1,711,573	1,664,073
Fines and Forfeitures	39,700	39,700	103,470	63,770
Sale of property and compensation for loss				
Sale of water supplies	225,000	225,000	478,968	253,968
Plant supplies and labor	90,000	90,000	143,900	53,900
Insurance recoveries	15,000	15,000	27,715	12,715
Sale of scrap and excess materials			3,124	3,124
Sale of property		93,480	1,970,000	1,876,520
Total sale of property and compensation for loss	<u>330,000</u>	<u>423,480</u>	<u>2,623,707</u>	<u>2,200,227</u>
Miscellaneous				
Refund of prior year expense	5,000	5,000	22,431	17,431
Other unclassified revenue	2,000	2,000		(2,000)
Total miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>22,431</u>	<u>15,431</u>
Federal sources			50,000	50,000
Total Revenues	17,653,370	17,746,850	23,300,186	5,553,336
Other Financing Sources				
Premium on obligations			1,340,387	1,340,387
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	<u>17,653,370</u>	<u>17,746,850</u>	<u>24,640,573</u>	<u>\$ 6,893,723</u>
Appropriated Fund Balance				
Prior Years' Surplus	120,000	120,000		
Prior Year's Encumbrances	351,731	351,731		
Appropriated Reserves	<u>50,000</u>	<u>1,715,000</u>		
Total Revenues and Appropriated Fund Balance	<u>\$ 18,175,101</u>	<u>\$ 19,933,581</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.

JERICHO 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					
Office salaries	\$ 731,500	\$ 893,906	\$ 890,935	\$	\$ 2,971
Commissioners fees	35,000	35,000	26,600		8,400
Office equipment	18,500	13,035	7,759		5,276
Auditing	37,532	37,532	30,233	5,567	1,732
Legal	65,000	71,500	62,010		9,490
Other professional fees	88,500	153,480	130,463	15,463	7,554
Insurance	332,500	332,500	286,525		45,975
Communications	71,000	71,000	61,981		9,019
Computer expense	110,350	110,350	77,670		32,680
Office expense	139,865	302,830	258,398		44,432
Water conservation	5,000	5,000			5,000
Conventions, dues & education	15,500	15,500	12,419		3,081
NY MTA tax	10,000	10,000	9,503		497
Election expenses	3,500	3,500	1,080		2,420
Contingency	227,650	92,650			92,650
Total Water Administration	<u>1,891,397</u>	<u>2,147,783</u>	<u>1,855,576</u>	<u>21,030</u>	<u>271,177</u>
Source of Supply, Power & Pumping					
Heat, light & power	<u>2,965,000</u>	<u>2,965,000</u>	<u>2,156,052</u>		<u>808,948</u>
Purification					
Caustic soda	500,000	500,000	426,314		73,686
Water analysis	913,000	812,000	370,909	68	441,023
Repairs	15,637	15,637	654		14,983
Total Purification	<u>1,428,637</u>	<u>1,327,637</u>	<u>797,877</u>	<u>68</u>	<u>529,692</u>
Transmission and Distribution					
Plant salaries	2,147,000	2,069,095	1,905,067		164,028
Equipment & capital outlay	317,022	285,210	212,322	41,715	31,173
Water supplies	331,944	384,756	169,894	52,742	162,120
Plant supplies	68,699	55,699	41,201		14,498
Plant expense	113,868	113,367	83,781	79	29,507
Grounds maintenance	40,000	40,000	39,905		95
Engineering & consulting	138,661	187,161	151,018	5,199	30,944
Auto	104,000	107,000	64,602	339	42,059
Road patches	132,500	132,500	126,628		5,872
Electrical & well repair	306,003	351,003	260,856	9,702	80,445
Other professional services	262,700	259,200	225,961		33,239
Conventions, dues & education	12,500	10,000	4,760		5,240
Licenses & permits	5,000	7,500	6,850		650
Total Transmission and Distribution	<u>3,979,897</u>	<u>4,002,491</u>	<u>3,292,845</u>	<u>109,776</u>	<u>599,870</u>

JERICHO 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	\$ 344,000	\$ 344,000	\$ 313,564	\$	\$ 30,436
Employee accrual payouts	100,000	30,500			30,500
Social security	235,000	235,000	206,586		28,414
Workers' compensation	125,000	125,000	69,272		55,728
Life insurance	5,500	5,500	3,580		1,920
Unemployment insurance	5,500	5,500			5,500
Hospital, medical & dental	1,487,500	1,472,500	1,318,690		153,810
Total Employee Benefits	<u>2,302,500</u>	<u>2,218,000</u>	<u>1,911,692</u>	<u>-</u>	<u>306,308</u>
Debt Service					
Principal	3,026,600	2,596,600	2,596,600		-
Interest	1,959,070	1,959,070	1,959,070		-
Total Debt Service	<u>4,985,670</u>	<u>4,555,670</u>	<u>4,555,670</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>17,553,101</u>	<u>17,216,581</u>	<u>14,569,712</u>	<u>130,874</u>	<u>2,515,995</u>
Other Financing Uses					
Operating transfers out	622,000	2,287,000	1,787,000		500,000
BANs redeemed		430,000	430,000		-
Total Other Financing Uses	<u>622,000</u>	<u>2,717,000</u>	<u>2,217,000</u>	<u>-</u>	<u>500,000</u>
Total Expenditures and Other Uses	<u>\$ 18,175,101</u>	<u>\$ 19,933,581</u>	<u>16,786,712</u>	<u>\$ 130,874</u>	<u>\$ 3,015,995</u>
Net Change in Fund Balances			7,853,861		
Fund Balances - Beginning of Year			<u>17,257,446</u>		
Fund Balances - End of Year			<u>\$ 25,111,307</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.

JERICO 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)	0.0076586 %	0.0080115 %	0.0075646 %	0.0081482 %	0.0073716 %	0.0075604 %	0.0079627 %	0.0077890 %	0.0078027 %
District's proportionate share of the net pension asset/(liability)	\$ (1,642,322)	\$ 654,911	\$ (7,532)	\$ (2,157,695)	\$ (522,300)	\$ (244,009)	\$ (748,191)	\$ (1,250,163)	\$ (263,593)
District's covered payroll	\$ 2,510,236	\$ 2,478,515	\$ 2,441,787	\$ 2,454,028	\$ 2,261,920	\$ 2,131,853	\$ 2,112,734	\$ 2,052,218	\$ 2,090,313
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	65.43 %	26.42 %	0.31 %	87.92 %	23.09 %	11.45 %	35.41 %	60.92 %	12.61 %
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.

JERICHO 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	\$ 313,564	\$ 291,806	\$ 494,900	\$ 361,132	\$ 360,314	\$ 341,999	\$ 330,023	\$ 334,564	\$ 380,821	\$ 394,553
Contributions in relation to the contractually required contribution	313,564	291,806	494,900	361,132	360,314	341,999	330,023	334,564	380,821	394,553
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	\$ 2,453,461	\$ 2,361,215	\$ 2,532,967	\$ 2,428,283	\$ 2,497,127	\$ 2,412,572	\$ 2,211,586	\$ 2,136,332	\$ 2,156,307	\$ 2,070,708
Contributions as a percentage of covered payroll	13 %	12 %	20 %	15 %	14 %	14 %	15 %	16 %	18 %	19 %

JERICHO 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	\$ 311,473	\$ 883,253	\$ 846,493	\$ 603,712	\$ 421,263	\$ 480,832
Interest on total OPEB liability	471,722	387,917	377,999	358,157	422,382	423,688
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(2,395,782)	-	2,661,824	-	(1,613,419)	-
Changes of assumptions or other inputs	1,345,058	(4,404,907)	45,628	1,421,108	2,376,962	(1,196,390)
Benefit payments	(394,326)	(469,548)	(415,834)	(368,618)	(324,262)	(348,929)
Net change in total OPEB liability	(661,855)	(3,603,285)	3,516,110	2,014,359	1,282,926	(640,799)
Total OPEB liability, beginning	14,577,976	18,181,261	14,665,151	12,650,792	11,367,866	12,008,665
Total OPEB liability, ending	<u>\$ 13,916,121</u>	<u>\$ 14,577,976</u>	<u>\$ 18,181,261</u>	<u>\$ 14,665,151</u>	<u>\$ 12,650,792</u>	<u>\$ 11,367,866</u>
Covered employee payroll	\$ 2,366,673	\$ 2,076,195	\$ 2,076,195	\$ 2,157,954	\$ 2,105,321	\$ 2,750,407
Total OPEB liability as a percentage of covered employee payroll	588.00 %	702.15 %	875.70 %	679.59 %	600.90 %	413.32 %
Discount Rate	3.26 %	3.72 %	2.06 %	2.12 %	2.74 %	4.10 %
Healthcare Trend Rate	7.00% in 2023 decreasing to 5.00% in 2027	6.50% in 2021 decreasing to 5.00% in 2025	7.00% in 2021 decreasing to 5.00% in 2025	6.50% in 2020 decreasing to 5.00% in 2023	7.00% in 2019 decreasing to 5.00% in 2023	9.00% in 2017 decreasing to 5.00% in 2021
Plan Changes	None	None	None	None	None	None

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.

JERICO WATER DISTRICT
Schedule of Expenditures and Financing Sources - Capital Projects Fund
For the Year Ended December 31, 2023

PROJECT TITLE	Budget 12/31/22	Budget 12/31/23	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance 12/31/23
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Bond Authorizations											
Wheatley Tank Rehabilitation	\$ 9,972,562	\$ 9,975,513	\$ 8,470,594	\$ 500,131	\$ 8,970,725	\$ 1,004,788	\$ 9,975,513	\$	\$	\$ 9,975,513	\$ 1,004,788
Split Rock Tank Rehabilitation	7,397,867	7,264,000	3,808,529	180,842	3,989,371	3,274,629	7,264,000			7,264,000	3,274,629
Nitrate Removal Facility	10,710,000	13,610,000	9,333,041	347,335	9,680,376	3,929,624	10,610,000	3,000,000		13,610,000	3,929,624
Meter Change Out Program	8,162,438	8,092,438	5,892,751	447,709	6,340,460	1,751,978	7,742,438		350,000	8,092,438	1,751,978
PTAS @ Well Nos. 6 & 16	7,600,000	10,525,000	5,703,629	579,048	6,282,677	4,242,323	7,525,000	3,000,000		10,525,000	4,242,323
Kirby Lane AOP System	17,395,000	18,395,000	6,952,829	8,234,465	15,187,294	3,207,706	12,784,200	5,610,800		18,395,000	3,207,706
Merry Lane AOP System	10,496,000	10,996,000	3,996,810	4,568,611	8,565,421	2,430,579	5,099,230	5,896,770		10,996,000	2,430,579
Southwoods Rd. Test Well	13,405,000	13,280,000	1,709,930	4,341,497	6,051,427	7,228,573	13,280,000			13,280,000	7,228,573
Service Connection Replacement	1,440,000	338,000	8,984		8,984	329,016	338,000			338,000	329,016
Water Main Replacement Program	3,975,000	3,950,000	4,229	3,327	7,556	3,942,444	3,950,000			3,950,000	3,942,444
Well Rehabilitation Program	1,440,000	1,415,000	410,712	208,596	619,308	795,692	1,415,000			1,415,000	795,692
Tank Rehabilitation Program	14,641,150	14,641,150	4,461,046	7,954,977	12,416,023	2,225,127	14,641,150			14,641,150	2,225,127
New 3MG Tank & Booster Station	423,000				-	-				-	-
Well No. 17 & 20 GAC Treatment	3,131,000	3,106,000	2,847,655	2,436	2,850,091	255,909	3,106,000			3,106,000	255,909
Well No. 22 AOP	11,516,000	18,253,000	560,872	2,066,552	2,627,424	15,625,576	11,391,000	6,862,000		18,253,000	15,625,576
Well No. 20 & 21 AOP	16,998,000	26,598,200	3,039,362	6,311,215	9,350,577	17,247,623	14,483,000	12,115,200		26,598,200	17,247,623
PFAS Treatment for Wells 18, 19, & 29		7,340,000		83,533	83,533	7,256,467	2,340,000	5,000,000		7,340,000	7,256,467
Unallocated Bond 2013/2017	3,000,000				-	-				-	-
Bond Issuance Cost	125,570	125,570	138,991	81,309	220,300	(94,730)	1,026,486			1,026,486	806,186
General Fund Appropriations											
Anita Avenue Water Main Replacement	94,895	94,895	93,886		93,886	1,009		94,895		94,895	1,009
Light Truck	572,139	572,141	570,970		570,970	1,171		572,141		572,141	1,171
Heavy Duty Trucks	281,224	403,224	263,362		263,362	139,862		403,224		403,224	139,862
New Roof @ Headquarters		41,915		37,000	37,000	4,915		41,915		41,915	4,915
Pump House No. 12 Building	238,756	238,756	238,756		238,756	-		238,756		238,756	-
Installation of GACs	937,764	937,764	937,764		937,764	-		937,764		937,764	-
Rehabilitation of Well No. 12	1,076,165	1,076,165	1,061,192	(13,742)	1,047,450	28,715		1,076,165		1,076,165	28,715
McCoun's Lane Water Main	1,158,610	1,158,610	1,158,610		1,158,610	-		1,158,610		1,158,610	-
GIS Improvements	78,000	78,000	77,636		77,636	364		78,000		78,000	364
Woodbury Tank Altitude Valve	285,837	285,837	284,154		284,154	1,683		285,837		285,837	1,683
Transfer Switch Replacement	291,000	291,000	204,504	50,704	255,208	35,792		291,000		291,000	35,792
SCADA System Replacement	749,000	749,000	350,168	49,835	400,003	348,997		749,000		749,000	348,997
Well Nos. 18 & 19 Drywells	878,520	878,520	834,536		834,536	43,984		878,520		878,520	43,984
Juneau Electric Upgrade	591,685	591,685	160,511	122,644	283,155	308,530		591,685		591,685	308,530
DH - Building Renovations	203,700	168,700	14,993	10,342	25,335	143,365		168,700		168,700	143,365
Pump House Door Replacement	113,356	113,356	113,356		113,356	-		113,356		113,356	-
NYS WIIA Grant Applications for 2021	10,800	141,800	7,369	83,556	90,925	50,875		141,800		141,800	50,875
Flow Control Valve Maintenance	376,500	376,500	52,200	204,345	256,545	119,955		376,500		376,500	119,955
DH Architectural Improvements	218,000	1,787,000	57,255	85,485	142,740	1,644,260		1,787,000		1,787,000	1,644,260
Well No. 14 PH-Interior Renovations	122,000	112,000			112,000	-		112,000		112,000	-
Replace Garage Doors at DH	179,000	179,000		174,000	174,000	5,000		179,000		179,000	5,000
Unallocated General Fund	370	370			-	370		370		370	370
Installation - Developers	1,764,352	1,764,352	1,764,352	34,469	1,798,821	(34,469)		1,798,821		1,798,821	-
Totals	\$152,050,260	\$179,945,461	\$ 65,585,538	\$ 36,862,221	#####	\$ 77,497,702	\$ 126,971,017	\$ 41,484,770	\$ 12,425,059	\$ 180,880,846	78,433,087

Revenue not yet recognized:
Bond proceeds (42,559,150)
Grants (24,597,235)
Fund Balance \$ 11,276,702

