



**ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
December 31, 2022**

JERICHO WATER DISTRICT
Table of Contents
December 31, 2022

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (MD&A)	4
Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	23
Notes to Financial Statements	24
Required Supplementary Information Other than MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	50
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	53
Schedule of District Pension Contributions	54
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	55
Other Information	
Schedule of Expenditures and Financing Sources – Capital Projects Fund	56

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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, 2022, 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, 2022 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 10, 2023

JERICO 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, 2022 in comparison with the year ended December 31, 2021, with emphasis on the current year. This information should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022 fiscal year are as follows:

- The District's total net position, as reflected in the district-wide financial statements, was \$35,694,360 at December 31, 2022. This balance represents an increase of \$9,440,946 (35.96%) 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 \$14,987,733. Of this amount, \$17,063,490 was offset by charges for services, and capital grants and contributions. General revenues of \$7,365,189 amount to 30.15% 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 \$2,327,579. This was due to an excess of revenues over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting.
- As of December 31, 2022, 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	15,425,000	5,470,000
2018	7,300,000	4,900,000	2,400,000
2019	33,229,000	24,575,000	8,654,000
2020	23,219,000	15,775,000	7,444,000
2022	39,149,150		39,149,150
	<u>\$133,777,150</u>	<u>\$ 70,660,000</u>	<u>\$ 63,117,150</u>

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, 2022, the District has expended approximately 42% of the authorizations and construction is ongoing.

- The District's 2022 property tax levy of \$5,226,511 was a 27.57% increase over the 2021 tax levy, which exceeded the tax cap of 1.98% 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.
- On May 11, 2022, the Town of Oyster Bay on behalf of the District issued \$2,624,300 in public improvement refunding (serial) bonds with an interest rate of 5.00%. The net proceeds were used to pay \$2,827,000 of outstanding principal on outstanding bonds from 2014. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt is \$75,962.

JERICO 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 flow 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 three individual governmental funds: general fund, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The December 31, 2021 long-term liabilities and net investment in capital assets were decreased, and the deferred inflows of resources and unrestricted net position (deficit) were increased by \$126,774, resulting from a reclassification of premiums from a bond refunding. The reclassifications have no effect on total net position.

The District's total net position increased by \$9,440,946 between fiscal year 2022 and 2021. 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:

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

	2022	As Restated 2021	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 47,026,502	\$ 41,406,649	\$ 5,619,853	13.57 %
Capital assets, net	82,354,816	61,945,893	20,408,923	32.95 %
Net pension asset - proportionate share	654,911	-	654,911	100.00 %
Total Assets	<u>130,036,229</u>	<u>103,352,542</u>	<u>26,683,687</u>	25.82 %
Deferred Outflows of Resources	<u>5,177,276</u>	<u>6,533,175</u>	<u>(1,355,899)</u>	(20.75)%
Liabilities				
Current and other liabilities	14,224,918	7,128,158	7,096,760	99.56 %
Long-term liabilities	63,558,358	54,670,269	8,888,089	16.26 %
Net pension liability - proportionate share	-	7,532	(7,532)	(100.00)%
Total OPEB liability	<u>14,577,976</u>	<u>18,181,261</u>	<u>(3,603,285)</u>	(19.82)%
Total Liabilities	<u>92,361,252</u>	<u>79,987,220</u>	<u>12,374,032</u>	15.47 %
Deferred Inflows of Resources	<u>7,157,893</u>	<u>3,645,083</u>	<u>3,512,810</u>	96.37 %
Net Position				
Net investment in capital assets	27,344,863	25,104,768	2,240,095	8.92 %
Restricted	9,472,501	7,140,215	2,332,286	32.66 %
Unrestricted (deficit)	<u>(1,123,004)</u>	<u>(5,991,569)</u>	<u>4,868,565</u>	81.26 %
Total Net Position	<u>\$ 35,694,360</u>	<u>\$ 26,253,414</u>	<u>\$ 9,440,946</u>	35.96 %

The increase in current and other assets is primarily due to increases in cash, and amounts due from state and federal, offset by a decrease in due from other governments.

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

Net pension asset – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's collective net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from a liability to an asset. The accompanying Notes to the Financial Statements, Note 12 "Pension Plans – New York State" provides additional information.

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

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

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.

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

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's net pension liability at the measurement date of the respective year. The decrease is due to the shift from net pension liability in the prior year to net pension asset 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, and the amount of deferred premium from the bond refunding that is being amortized over the remaining term of the bonds.

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; and infrastructure, net of accumulated depreciation and related outstanding debt. This balance as of December 31, 2022, is computed as follows:

Capital assets, net	\$ 82,354,816
Deduct:	
Retainage payable	(1,400,528)
Bond anticipation notes payable	(53,580,000)
Less: Unspent BAN proceeds	9,913,902
Bonds payable	(9,626,300)
Deferred premium on refunding	<u>(317,027)</u>
	<u>\$ 27,344,863</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, 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.

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, 2022 and 2021 is as follows:

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

	2022	2021	Increase (Decrease)	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 10,726,831	\$ 9,991,318	\$ 735,513	7.36 %
Capital grants & contributions	6,336,659	1,124,207	5,212,452	463.66 %
General revenues				
Real property taxes	5,226,536	4,097,093	1,129,443	27.57 %
Other tax items	249,320	162,621	86,699	53.31 %
Use of money & property	314,903	42,655	272,248	638.26 %
Other	1,574,430	1,317,376	257,054	19.51 %
Total Revenues	<u>24,428,679</u>	<u>16,735,270</u>	<u>7,693,409</u>	45.97 %
Expenses				
Program expenses				
Water administration	1,440,379	1,426,362	14,017	0.98 %
Source of supply, power & pumping	2,474,348	2,167,438	306,910	14.16 %
Purification	773,757	736,013	37,744	5.13 %
Transmission & distribution	3,126,157	3,212,820	(86,663)	(2.70)%
Employee benefits	2,023,631	2,804,188	(780,557)	(27.84)%
Debt service - interest	2,014,945	1,011,901	1,003,044	99.12 %
Depreciation	3,134,516	2,008,989	1,125,527	56.02 %
Total Expenses	<u>14,987,733</u>	<u>13,367,711</u>	<u>1,620,022</u>	12.12 %
Total Change in Net Position	<u>\$ 9,440,946</u>	<u>\$ 3,367,559</u>	<u>\$ 6,073,387</u>	180.35 %

The District's net position increased by \$9,440,946 and \$3,367,559 for the years ended December 31, 2022 and 2021, respectively.

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

- 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 2022 budget, which was increased in anticipation of increases in operating and debt service costs.
- 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, 2022.

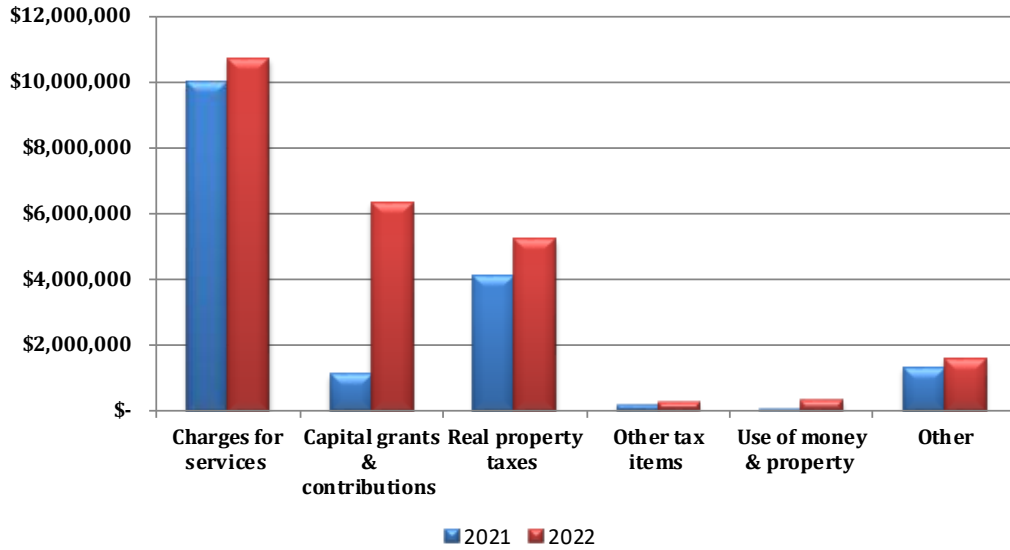
The District's expenses increased when compared to the prior year, mainly due to the following changes:

- Depreciation expense grew as a result of capital assets being placed into service.
- Debt service – interest increased as additional debt was issued, and there was a rise in borrowing rates.
- Employee benefits decreased chiefly due to the impact of the net change in actuarially determined pension and OPEB costs.

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

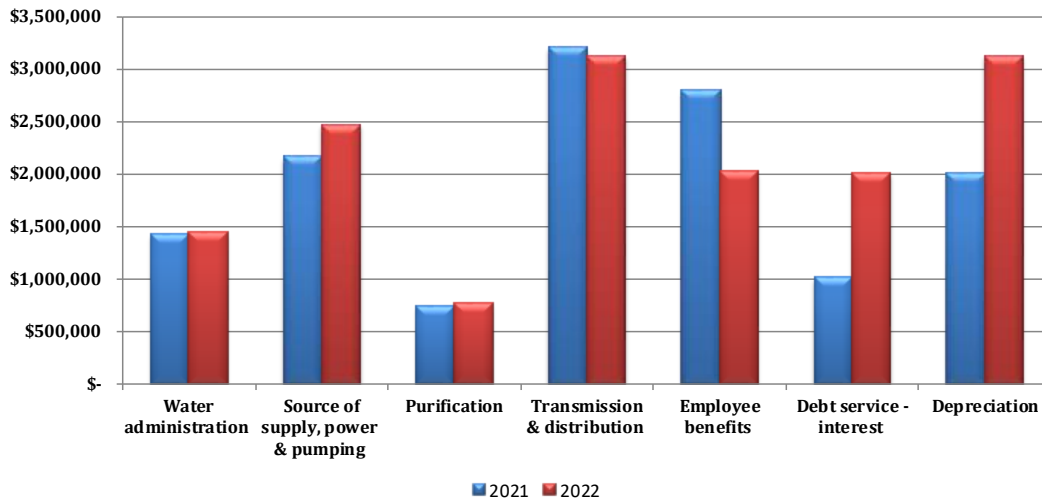
As graphically portrayed below, the District primarily relies on water use charges and real property taxes to support government operations. Collectively, they provided 65.31% and 84.18% of the District's revenues in fiscal years 2022 and 2021, respectively.

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
2021	59.70%	6.72%	24.48%	0.97%	0.25%	7.88%
2022	43.91%	25.94%	21.40%	1.02%	1.29%	6.44%

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
2021	10.67%	16.21%	5.51%	24.03%	20.98%	7.57%	15.03%
2022	9.61%	16.52%	5.16%	20.86%	13.50%	13.44%	20.91%

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

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of December 31, 2022, the governmental funds reported a combined fund balance of \$33,955,080, a decrease of \$196,124. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources, 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:

	2022	2021	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Inventory	\$ 275,235	\$ 174,937	\$ 100,298	57.33 %
Restricted:				
Employee benefit accrued liability	865,740	859,305	6,435	0.75 %
Retirement contribution	284,811	282,694	2,117	0.75 %
Capital	4,148,269	3,366,638	781,631	23.22 %
Repairs	668,624	687,592	(18,968)	(2.76)%
Debt service	1,191,095	762,454	428,641	56.22 %
Assigned:				
Appropriated fund balance	120,000	120,000	-	0.00 %
Future debt service	5,100,000	4,350,000	750,000	17.24 %
Encumbrances	351,731	220,591	131,140	59.45 %
Unassigned: Fund balance	4,251,941	4,105,656	146,285	3.56 %
	<u>17,257,446</u>	<u>14,929,867</u>	<u>2,327,579</u>	15.59 %
Capital Projects Fund				
Restricted:				
Capital	1,333,068	1,090,365	242,703	22.26 %
Repairs	325,983	91,167	234,816	257.57 %
Unspent bond proceeds	9,483,902	18,608,627	(9,124,725)	(49.03)%
Assigned: Unappropriated fund balance	5,554,681	-	5,554,681	100%
Unassigned: Fund balance (deficit)	-	(568,822)	568,822	100.00 %
	<u>16,697,634</u>	<u>19,221,337</u>	<u>(2,523,703)</u>	(13.13)%
Total Governmental Funds				
Fund Balance	<u>\$ 33,955,080</u>	<u>\$ 34,151,204</u>	<u>\$ (196,124)</u>	(0.57)%

A. General Fund

The general fund is the principal operating fund of the District. For the year ended December 31, 2022, the fund balance increased by \$2,327,579, as revenues of \$17,896,047 exceeded expenditures and other financing uses of \$15,568,468.

Revenues increased by \$2,310,082 or 14.82%, as compared to the prior year. The following is a summary of the major changes that resulted in revenues increasing over the prior year:

- Property taxes increased due to an increase in the tax levy in accordance with the 2022 budget.
- Miscellaneous revenue increased as a result of the District receiving premiums on short-term bond anticipation notes in the current year greater than amounts received in the prior year.
- 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, 2022.

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

Expenditures and other financing uses increased by \$2,583,533 or (19.90%) as compared to the prior year. The following is a summary of the major changes that resulted in expenditures increasing over the prior year:

- Other financing uses increased mainly due to transfers to the capital projects fund to provide financing for current capital projects and installation projects.
- Debt service increased as additional debt was issued, and there was a rise in borrowing rates.

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

	Balance at 12/31/21	Interest Earned	Funding	Use of Reserve	Balance at 12/31/22
Employee benefit accrued liability	\$ 859,305	\$ 6,435	\$	\$	\$ 865,740
Retirement contribution	282,694	2,117		-	284,811
Capital	3,366,638	15,690	2,250,000	(1,484,059)	4,148,269
Repairs	687,592	3,120	250,000	(272,088)	668,624
Debt service	762,454		1,191,095	(762,454)	1,191,095
				-	
	<u>\$ 5,958,683</u>	<u>\$ 27,362</u>	<u>\$ 3,691,095</u>	<u>\$ (2,518,601)</u>	<u>\$ 7,158,539</u>

In addition, in accordance with the 2022 budget, the District increased the amounts assigned for future debt service by \$750,000 to \$5,100,000.

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 \$2,523,703. This decrease was due to expenditures of \$22,777,210 in excess of revenues and other financing sources of \$20,253,507. The District recognized \$11,070,000 in proceeds from long-term bond anticipation notes, \$2,846,848 in operating transfers in, and \$349,028 in installation income. In addition, the District recognized \$5,987,631 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. 2022 Budget

The District's general fund approved budget for the year ended December 31, 2022 was \$16,412,429. This amount was increased by encumbrances carried forward from the prior year, in the amount of \$220,591, and budget revisions in the amount of \$1,795,648, for a final budget of \$18,428,688.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$10,300,000 in metered water sales and \$5,226,511 in real property taxes.

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

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:

Opening, Unassigned Fund Balance	\$ 4,105,656
Revenues Over Budget	1,739,118
Expenditures, Other Financing Uses, and Encumbrances Under Budget	2,508,469
Unused appropriated reserves	(175,000)
Net Change in Nonspendable Fund Balance	(100,298)
Net Change in Restricted Fund Balance	(2,956,004)
Net Change in Assigned Fund Balance	(750,000)
Appropriated for the 2023 Budget	<u>(120,000)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 4,251,941</u></u>

Opening, Unassigned Fund Balance

The \$4,105,656 shown in the table is the District's December 31, 2021 unassigned fund balance.

Revenues Over Budget

The 2022 final budget for revenues was \$16,156,929. Actual revenues recognized for the year were \$17,896,047. The excess of actual revenues over estimated or budgeted revenues was \$1,739,118. This was due to the District receiving more than anticipated in metered sales due to increased demand, sale of property and compensation for loss due to an increase in sale of water supplies, and use of money and property and other unclassified revenue related to the issuance of bond anticipation notes. This change contributes directly to the change in the unassigned portion of the general fund-fund balance from December 31, 2021 to December 31, 2022. 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 2022 final budget for expenditures and other financing uses was \$18,428,688. Actual expenditures and other financing uses for the year were \$15,568,468 and outstanding encumbrances were \$351,731. Combined, the expenditures and other financing uses and encumbrances for 2022 were \$15,920,199. The final budget was under expended by \$2,508,469. This under expenditure was primarily within water administration, source of supply, power & pumping, purification, transmission and distribution, employee benefits and other financing uses. Included in the water administration budget is amounts for contingency; the District did not need to use the full amount of the contingency in the current year. The 2022 budget

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

anticipated additional expenditures in source of supply, power and pumping related to electric as the District anticipated the Nitrate Removal facility to be operational in 2022. In addition, several wells had to be taken out of service during the year as a result of testing higher for VOC and other contaminants than allowable; as such electric costs were less than anticipated for the year. The under expenditure in purification was due to the District incurring less costs than anticipated for water analysis (testing). The under expenditure in transmission and distribution was primarily within plant salaries due to the District not filling three vacant positions during the year. In addition, the District spent less than anticipated for equipment and capital outlay, water supplies, road patches, conventions, dues and education as well as in electrical and well repairs. The under expenditures in employee benefits was primarily in workers' compensation and health, medical, and dental. The workers' compensation costs were estimated based on past claims during the budgeting process, actual costs and claims were less than anticipated. The hospital, medical, and dental budget provided for a 2% increase in premiums as well as family coverage for the three vacant positions. The premium rates came in less than anticipated and the positions remained vacant during the year. As part of the budget, the District includes amounts to fund the assignment for debt. The funding of the assignment does not result in an actual expenditure, however, it does increase the fund balance assignment. This assignment will be used to offset future debt service payments. This change contributes to the unassigned portion of the general fund-fund balance from December 31, 2021 to December 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, provides additional information.

Unused Appropriated Reserves

In the 2022 budget, \$175,000 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

The District had inventories for supplies and materials at December 31, 2022. The resulting balance sheet assets (inventories) 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 decreases 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 Section 4.A. of this Management's Discussion and Analysis, 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 \$750,000 shown in the table represents an additional assignment for future debt service. The increase in the assignment decreases unassigned fund balance.

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

Appropriated Fund Balance

The District has chosen to use \$120,000 of available December 31, 2022 unassigned fund balance to partially fund the 2023 approved operating budget. As such, the December 31, 2022 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 2023 fiscal year with an unassigned fund balance of \$4,251,941. This is an increase of \$146,285 in the unassigned balance over the prior year.

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

A. Capital Assets

At December 31, 2022 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 \$23,543,439 in excess of depreciation expense of \$3,134,516 recorded for the year. A summary of the District's capital assets, net of accumulated depreciation at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Land	\$ 304,000	\$ 304,000	\$ -
Construction work in progress	28,739,382	8,414,309	20,325,073
Buildings and improvements	3,547,035	3,829,134	(282,099)
Improvements other than buildings	3,200,144	3,464,678	(264,534)
Machinery & equipment	21,195,557	21,592,120	(396,563)
Infrastructure (water mains)	9,081,902	9,063,193	18,709
Wells, water tanks & structures	16,276,658	15,268,263	1,008,395
Software	<u>10,138</u>	<u>10,196</u>	<u>(58)</u>
Capital assets, net	<u>\$ 82,354,816</u>	<u>\$ 61,945,893</u>	<u>\$ 20,408,923</u>

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, 2022, the District has expended approximately 42% of the authorizations and the construction is ongoing.

B. Debt Administration

At December 31, 2022, the District had combined long-term debt of \$62,776,300. 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 increases represent new issuances. A summary of the outstanding debt at December 31, 2022 and 2021 is as follows:

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

Issue Date	Interest Rate	2022	2021	Increase (Decrease)
Bond anticipation notes payable				
2020	2.00%	\$ -	\$ 43,000,000	\$(43,000,000)
2021	3.00%	53,150,000	-	53,150,000
		<u>\$ 53,150,000</u>	<u>\$ 43,000,000</u>	<u>\$ 10,150,000</u>
Bonds payable				
2014	3.25 - 4.00%	\$ -	\$ 3,097,000	\$ (3,097,000)
2018	3.00 - 4.00%	6,197,000	6,666,000	(469,000)
2021	2.00 - 4.00%	821,000	937,000	(116,000)
2022	5.00%	2,608,300	-	2,608,300
		<u>\$ 9,626,300</u>	<u>\$ 10,700,000</u>	<u>\$ (1,073,700)</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, 2022, the District has issued \$70,660,000 in bonds and bond anticipation notes related to these authorizations and \$63,117,150 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.

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, 2022 and 2021 is as follows:

	2022	2021	Increase (Decrease)
Compensated absences payable	\$ 782,058	\$ 970,269	\$ (188,211)
Net pension liability - proportionate share	-	7,532	(7,532)
Total OPEB liability	<u>14,577,976</u>	<u>18,181,261</u>	<u>(3,603,285)</u>
	<u>\$ 15,360,034</u>	<u>\$ 19,159,062</u>	<u>\$ (3,799,028)</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Commissioners adopted the District's 2023 budget on September 8, 2022. The District expects to maintain the same quality level of service to its taxpayers and customers that it has historically provided. The 2023 budget of \$17,823,370 represents a \$1,410,941 (8.60%) increase over the 2022 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 \$10,860,200, which is a decrease of \$30,718 (0.28%). Additionally, the District has elected to appropriate \$120,000 from unassigned fund

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

balance and \$50,000 of reserves towards the next year's budget, which is a decrease of \$125,000 from the previous year. The real property tax levy of \$6,793,170 will provide the balance of the funding for the budget, which is an increase of \$1,566,659 (29.98%) over 2022.

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 2022. 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)
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

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 2023 is 2.40%. The District's tax levy increase of 29.98%, as approved by the Board of Commissioners, exceeds the cap for 2023. The increase to real property taxes was imposed, most significantly due to never before incurred operating and maintenance costs related to the continued implementation of Advanced Oxidation Process (AOP) treatment for 1,4 Dioxane, which the District has never previously had to budget for in prior years. These costs are the result of the NYS Department of Health Commissioner's acceptance of the Drinking Water Council's recommendation to establish a Maximum Contaminant Level (MCL) of 1.0 part per billion (ppb) for 1,4 Dioxane and 10 parts per trillion (ppt) for PFOS and PFOA. Additionally, the increase is attributed to the increased cost to maintain and improve the District's infrastructure coupled with the need to build new infrastructure and treatment facilities for AOP treatment, as a result of the newly regulated MCL and related debt service costs.

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.

JERICHO WATER DISTRICT
Statement of Net Position
December 31, 2022

ASSETS

Cash	
Unrestricted	\$ 12,566,239
Restricted	8,817,590
Receivables	
Accounts receivable, net	2,676,793
Due from state and federal	381,829
Due from other governments	21,907,849
Inventory	275,235
Prepays	400,967
Capital assets not being depreciated	29,043,382
Capital assets being depreciated, net of accumulated depreciation	53,311,434
Net pension asset - proportionate share	654,911
Total Assets	<u>130,036,229</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	1,509,855
Other postemployment benefits	3,667,421
Total Deferred Outflows of Resources	<u>5,177,276</u>

LIABILITIES

Payables	
Accounts payable	10,268,405
Accrued liabilities	1,550,182
Retainage payable	1,400,528
Bond anticipation notes payable	430,000
Developer deposits	505,739
Unearned credits - collections in advance	70,064
Long-term liabilities	
Due within one year	
Bond anticipation notes payable	1,750,000
Bonds payable	846,600
Due after one year	
Bond anticipation notes payable	51,400,000
Bonds payable	8,779,700
Compensated absences payable	782,058
Total other postemployment benefits liability	14,577,976
Total Liabilities	<u>92,361,252</u>

DEFERRED INFLOWS OF RESOURCES

Deferred premiums on refunding	317,027
Pension	2,268,871
Other postemployment benefits	4,571,995
Total Deferred Inflows of Resources	<u>7,157,893</u>

NET POSITION

Net investment in capital assets	27,344,863
Restricted:	
Employee benefit accrued liability	865,740
Retirement contribution	284,811
Capital	5,481,337
Repairs	994,607
Debt	1,191,095
Pension	654,911
Unrestricted (deficit)	<u>(1,123,004)</u>
Total Net Position	<u>\$ 35,694,360</u>

JERICHO WATER DISTRICT
Statement of Activities
For the Year Ended December 31, 2022

Program Revenues	
Charges for services	\$ 10,726,831
Capital grants and contributions	<u>6,336,659</u>
 Total Program Revenues	 <u>17,063,490</u>
Program Expenses	
Home and community services	
Water supply services	
Water administration	1,440,379
Source of supply, power and pumping	2,474,348
Purification	773,757
Transmission and distribution	3,126,157
Employee benefits	2,023,631
Debt service - interest	2,014,945
Depreciation	<u>3,134,516</u>
 Total Program Expenses	 <u>14,987,733</u>
 Net Program Revenue	 <u>2,075,757</u>
General Revenues	
Real property taxes	5,226,536
Other tax items	249,320
Use of money and property	314,903
Fines and forfeitures	73,750
Sale of property and compensation for loss	450,178
Miscellaneous	<u>1,050,502</u>
 Total General Revenues	 <u>7,365,189</u>
 Change in Net Position	 9,440,946
 Net Position - Beginning of Year	 <u>26,253,414</u>
 Net Position - End of Year	 <u><u>\$ 35,694,360</u></u>

JERICHO WATER DISTRICT
Balance Sheet - Governmental Funds
December 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash				
Unrestricted	\$ 7,543,795	\$	\$ 5,022,444	\$ 12,566,239
Restricted	7,158,539		1,659,051	8,817,590
Receivables				
Accounts receivable, net	2,676,793			2,676,793
Due from other funds	27,025			27,025
Due from state and federal			381,829	381,829
Due from other governments	1,319,550		20,588,299	21,907,849
Inventory	275,235			275,235
Total Assets	<u>\$ 19,000,937</u>	<u>\$ -</u>	<u>\$ 27,651,623</u>	<u>\$ 46,652,560</u>
LIABILITIES				
Payables				
Accounts payable	\$ 266,820	\$	\$ 10,001,585	\$ 10,268,405
Accrued liabilities	96,954			96,954
Due to other funds			27,025	27,025
Bond anticipation notes payable			430,000	430,000
Developer deposits	10,360		495,379	505,739
Unearned credits - collections in advance	70,064			70,064
Total Liabilities	<u>444,198</u>	<u>-</u>	<u>10,953,989</u>	<u>11,398,187</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - unbilled metered water sales	1,299,293			1,299,293
FUND BALANCES				
Nonspendable: Inventory	275,235			275,235
Restricted:				
Employee benefit accrued liability	865,740			865,740
Retirement contribution	284,811			284,811
Capital	4,148,269		1,333,068	5,481,337
Repairs	668,624		325,983	994,607
Debt	1,191,095			1,191,095
Unspent bond proceeds			9,483,902	9,483,902
Assigned:				
Appropriated fund balance	120,000			120,000
Future debt service	5,100,000			5,100,000
Unappropriated fund balance	351,731		5,554,681	5,906,412
Unassigned: Fund balance	4,251,941			4,251,941
Total Fund Balances	<u>17,257,446</u>	<u>-</u>	<u>16,697,634</u>	<u>33,955,080</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,000,937</u>	<u>\$ -</u>	<u>\$ 27,651,623</u>	<u>\$ 46,652,560</u>

JERICHO WATER DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Total Governmental Fund Balances		\$ 33,955,080
<p>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.</p>		
Original cost of capital assets	\$ 114,981,866	
Less: Accumulated depreciation	<u>(32,627,050)</u>	
Capital assets, net		82,354,816
<p>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.</p>		
		400,967
<p>Proportionate share of long-term assets, 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.</p>		
Net pension asset - proportionate share	654,911	
Deferred outflows of resources	1,509,855	
Deferred inflows of resources	<u>(2,268,871)</u>	
		(104,105)
<p>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.</p>		
Deferred outflows of resources	3,667,421	
Total other postemployment benefits liability	(14,577,976)	
Deferred inflows of resources	<u>(4,571,995)</u>	
		(15,482,550)
<p>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.</p>		
		1,299,293
<p>Premium on refunding of bonds is not reported on the Balance Sheet, but is reflected on the Statement of Net Position and amortized over the life of the related bonds.</p>		
		(317,027)
<p>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:</p>		
Accrued interest on bonds payable	(1,453,228)	
Retainage payable	(1,400,528)	
Bond anticipation notes payable	(53,150,000)	
Bonds payable, net	(9,626,300)	
Compensated absences payable	<u>(782,058)</u>	
		<u>(66,412,114)</u>
Total Net Position		<u>\$ 35,694,360</u>

JERICHO WATER DISTRICT
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Real property taxes	\$ 5,226,536	\$	\$	\$ 5,226,536
Other tax items	249,320			249,320
Program revenues	10,530,858			10,530,858
Use of money and property	314,903			314,903
Fines and forfeitures	73,750			73,750
Sale of property and compensation for loss	450,178			450,178
Miscellaneous	1,050,502			1,050,502
Installation income			349,028	349,028
State sources			5,987,631	5,987,631
Total Revenues	17,896,047	-	6,336,659	24,232,706
Expenditures				
Water administration	1,435,046	20,890		1,455,936
Source of supply, power and pumping	2,474,348			2,474,348
Purification	773,757			773,757
Transmission and distribution	3,284,837			3,284,837
Employee benefits	1,755,884			1,755,884
Debt service				
Principal	1,791,000			1,791,000
Interest	1,206,748	45,401		1,252,149
Capital outlay			22,777,210	22,777,210
Total Expenditures	12,721,620	66,291	22,777,210	35,565,121
Excess (Deficiency) of Revenues over Expenditures	5,174,427	(66,291)	(16,440,551)	(11,332,415)
Other Financing Sources and (Uses)				
Premium on obligations		268,991		268,991
Proceeds of debt		2,624,300	11,070,000	13,694,300
Payment to escrow agent		(2,827,000)		(2,827,000)
Operating transfers in			2,016,848	2,016,848
Operating transfers (out)	(2,016,848)			(2,016,848)
BANs redeemed				
Operating transfers in			830,000	830,000
Operating transfers (out)	(830,000)			(830,000)
Total Other Financing Sources and (Uses)	(2,846,848)	66,291	13,916,848	11,136,291
Net Change in Fund Balances	2,327,579	-	(2,523,703)	(196,124)
Fund Balances - Beginning of Year	14,929,867	-	19,221,337	34,151,204
Fund Balances - End of Year	<u>\$ 17,257,446</u>	<u>\$ -</u>	<u>\$ 16,697,634</u>	<u>\$ 33,955,080</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, 2022

Net Change in Fund Balances		\$ (196,124)
<u>Long-term Revenue and Expense Differences</u>		
<p>In the Statement of Activities, certain program revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).</p>		
	\$ 195,973	
<p>Certain expenditures in the governmental funds requiring the use of current financial resources (amount paid) may exceed amounts incurred during the year, resulting in reduction of the long-term liability and an increase in net position.</p>		
Decrease in compensated absences payable	188,211	
<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>		
Decrease in prepaid items	<u>(27,672)</u>	356,512
<u>Capital Related Differences</u>		
<p>Capital outlays to purchase, construct or improve capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation in the period.</p>		
Capital outlays and other additions	23,543,439	
Depreciation expense	<u>(3,134,516)</u>	
	20,408,923	
<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>		
	<u>(607,550)</u>	19,801,373
<u>Long-Term Debt Transactions</u>		
<p>Proceeds and premium 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>		
	(13,963,291)	
<p>Payment to escrow agent is an other financing use in the governmental funds, but it decreases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>		
	2,827,000	
<p>The amortization of the deferred premium on the refunding of bonds, decreases interest expense in the Statement of Activities.</p>		
	78,738	
<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>		
Repayment of bond anticipation notes	920,000	
Repayment of bond principal	871,000	
<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, 2021 to December 31, 2022.</p>		
	<u>(841,534)</u>	(10,108,087)
<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	245,404	
Other postemployment benefits	<u>(658,132)</u>	
		<u>(412,728)</u>
Change in Net Position of Governmental Activities		<u>\$ 9,440,946</u>

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:

JERICO 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.

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

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 or construction of capital facilities and other capital assets.

C. Measurement Focus and Basis of Accounting

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

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes 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 other postemployment benefits, 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.

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

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-2016 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law Section 1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No 77, "Tax Abatement Disclosures", under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$122,515 in LIPA PILOT revenue during the 2022 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, other postemployment benefits, potential contingent liabilities and useful lives of capital assets.

I. Cash and Cash Equivalents/Investments

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

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

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

The District does not have any cash equivalents or investments at December 31, 2022.

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. 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 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	\$ 2,000	Straight line	40 years
Improvements	2,000	Straight line	20 years
Machinery and equipment	2,000	Straight line	5 - 20 years
Infrastructure (water mains)	2,000	Straight line	40 - 50 years
Wells, water tanks & structures	2,000	Straight line	40 years
Software	2,000	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 other postemployment benefits not included in OPEB expense.

N. Short-Term Debt

The District may issue bond anticipation notes (BAN), 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 time 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 Section 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*.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

S. Long-Term Debt

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future 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, whereas, premiums on refunded bonds are reported as deferred inflows of resources and amortized over the life of the old or new debt, whichever is shorter.

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) until that time. The District has four 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 other postemployment benefits liability not included in OPEB expense. The fourth item is related to the premium on refunding of bonds, which will be amortized over the remaining term of the related bonds.

U. Equity Classifications

District-Wide Statements

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

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

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

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

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

Employee Benefit Accrued Liability Reserve – Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefit primarily based on unused and unpaid sick leave, personal leave, holiday leave or vacation time 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.

Retirement Contribution Reserve - Retirement Contribution Reserve (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.

Capital Reserve – Capital reserve general was established pursuant to Section 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 of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). 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 Service – 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.

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

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Assigned for Future Debt Service – The balance represents an amount set aside to make future debt service payments on new serial bonds.

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

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board if voter approval is not required. Amendments or 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 Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB statements issued, but the statements that the District feels may have a future impact on these financial statements. The District will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
December 31, 2023	GASB No. 96 – <i>Subscription Based Information Technology Agreements</i>
December 31, 2024	GASB No. 101 – <i>Compensated Absences</i>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

GASB statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

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

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN 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 basic financial statements contain a full reconciliation of these items.

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

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 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:

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Budget Revisions	
Interfund transfers funded by:	
Restricted fund balances	
Flow Control Valves	\$ 272,089
SCADA System Replacement	550,374
Juneau pump station electrical improvements	481,685
Engineering for DH architectural improvements	218,000
Transfer switch replacements	55,000
Replace garage doors at DH	179,000
Engineering appropriations funded by:	
Wheatley tank antennas transfer revenue	<u>39,500</u>
 Total Budget Revisions	 <u><u>\$ 1,795,648</u></u>

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					
Employee benefit					
accrued liability	\$ 859,305	\$ 6,435	\$	\$	\$ 865,740
Retirement contribution	282,694	2,117			284,811
Capital improvement	3,366,638	15,690	2,250,000	(1,484,059)	4,148,269
Repairs	687,592	3,120	250,000	(272,088)	668,624
Debt	762,454		1,191,095	(762,454)	1,191,095
 Capital Projects Fund					
Capital improvement	1,090,365		1,484,059	(1,241,356)	1,333,068
Repairs	91,167		272,088	(37,272)	325,983
Unspent bond proceeds	18,608,627		11,070,000	(20,194,725)	9,483,902
	<u>\$25,748,842</u>	<u>\$ 27,362</u>	<u>\$16,517,242</u>	<u>\$(23,991,954)</u>	<u>\$18,301,492</u>

C. Encumbrances

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

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

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

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

6. ACCOUNTS RECEIVABLE, NET

Accounts receivable at December 31, 2022 consisted of:

Metered water sales, billed	\$ 1,529,689
Metered water sales, unbilled	753,828
Water tax liens	349,667
Penalties	43,609
Miscellaneous	7,049
Less: Allowance for doubtful accounts	<u>(7,049)</u>
	<u>\$ 2,676,793</u>

7. DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2022 consisted of:

General Fund

Town of Oyster Bay	
Premiums on obligations	\$ 991,065
Payments in lieu of taxes	127,297
Interest	<u>201,188</u>
	1,319,550

Capital Projects Fund

Town of Oyster Bay	
BAN proceeds held by Town	<u>20,588,299</u>
	<u>\$ 21,907,849</u>

District management expects these amounts to be fully collectible.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. CAPITAL ASSETS

A. Changes

Capital assets balances and activities for the year ended December 31, 2022 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 304,000	\$	\$	\$ 304,000
Construction work in progress	8,414,309	20,637,002	(311,929)	28,739,382
Total capital assets not being depreciated	8,718,309	20,637,002	(311,929)	29,043,382
Capital assets being depreciated:				
Buildings and improvements	8,430,387	113,356	(252,041)	8,291,702
Improvements other than buildings	6,618,536	11,300	(124,986)	6,504,850
Machinery & equipment	34,443,853	1,121,335	(872,423)	34,692,765
Infrastructure (water mains)	15,555,261	413,323		15,968,584
Wells, water tanks & structures	19,139,964	1,553,987	(260,785)	20,433,166
Software	42,352	5,065		47,417
Total capital assets being depreciated	84,230,353	3,218,366	(1,510,235)	85,938,484
Less accumulated depreciation for:				
Buildings and improvements	4,601,253	395,455	(252,041)	4,744,667
Improvements other than buildings	3,153,858	275,834	(124,986)	3,304,706
Machinery & equipment	12,851,733	1,517,898	(872,423)	13,497,208
Infrastructure	6,492,068	394,614		6,886,682
Wells, water tanks & structures	3,871,701	545,592	(260,785)	4,156,508
Software	32,156	5,123		37,279
Total accumulated depreciation	31,002,769	3,134,516	(1,510,235)	32,627,050
Total capital assets being depreciated, net	53,227,584	83,850		53,311,434
Capital assets, net	\$ 61,945,893	\$ 20,720,852	\$ (311,929)	\$ 82,354,816

Depreciation expense totaled \$3,134,516 for the year ended December 31, 2022.

B. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At December 31, 2022, 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, 2022 are as follows:

	Interfund			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$ 27,025	\$	\$	\$ 2,846,848
Capital Projects Fund		27,025	2,846,848	
	\$ 27,025	\$ 27,025	\$ 2,846,848	\$ 2,846,848
Total governmental activities	\$ 27,025	\$ 27,025	\$ 2,846,848	\$ 2,846,848

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 12/31/21	Issued	Redeemed	Balance 12/31/22
BAN	3/11/2022	2.00%	\$ 830,000	\$	\$ (830,000)	\$ -
BAN	3/9/2023	3.00%	-	430,000		430,000
			\$ 830,000	\$ 430,000	\$ (830,000)	\$ 430,000

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

The Town of Oyster Bay, on behalf of the District, issued \$11,500,000 in BANs during December 31, 2022; however, \$11,070,000 of these BANs were renewed prior to the financial statements being issued and were treated as long-term liabilities. The \$430,000 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	\$ 16,600
Less: interest accrued in the prior year	(8,778)
Plus: interest accrued in the current year	10,461
Total expense	\$ 18,283

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension and other postemployment benefits liabilities, for the year ended December 31, 2022, are summarized as follows:

	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Amounts Due Within One Year
Long-term debt:					
BANs payable	\$ 43,000,000	\$ 11,070,000	\$ (920,000)	\$ 53,150,000	\$ 1,750,000
Bonds payable	10,700,000	2,624,300	(3,698,000)	9,626,300	846,600
Other long-term liabilities:					
Compensated absences	970,269		(188,211)	782,058	-
	<u>\$ 54,670,269</u>	<u>\$ 13,694,300</u>	<u>\$ (4,806,211)</u>	<u>\$ 63,558,358</u>	<u>\$ 2,596,600</u>

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

B. Bond Anticipation Notes Payable

Bond anticipation notes payable is comprised of the following:

	Maturity	Stated Interest Rate	Balance 12/31/21	Issued	Redeemed	Balance 12/31/22
BAN	3/11/2022	2.00%	\$ 43,000,000	\$	\$(43,000,000)	\$ -
BAN	3/9/2023	3.00%		53,150,000		53,150,000
			<u>\$ 43,000,000</u>	<u>\$ 53,150,000</u>	<u>\$(43,000,000)</u>	<u>\$ 53,150,000</u>

C. Bonds Payable

Bonds payable is comprised of the following:

	Issue Date	Final Maturity	Interest Rate	Outstanding at Year-End 12/31/22
Public improvement serial bonds	2018	2033	3.00 - 4.00%	\$ 6,197,000
Refunding public improvement serial bonds	2021	2028	2.00 - 4.00%	821,000
Refunding public improvement serial bonds	2022	2031	5.00%	2,608,300
				<u>\$ 9,626,300</u>

JERICHO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 846,600	\$ 356,135	\$ 1,202,735
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 - 2032	4,428,900	548,311	4,977,211
2033	655,000	13,100	668,100
	<u>\$ 9,626,300</u>	<u>\$ 2,009,735</u>	<u>\$ 11,636,035</u>

D. Current Bond Refunding

On May 11, 2022, the Town of Oyster Bay, on behalf of the District, issued \$2,624,300 in public improvement refunding (serial) bonds with an interest rate of 5.00%. The net proceeds (the par amount plus premium less underwriter's fees, insurance and other costs) were used to refund outstanding 2014 public improvement serial bonds with interest rates ranging from 3.25% to 4.00%. The net proceeds were used to pay \$2,827,000 of outstanding principal. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is \$75,962.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 72,106
2024	63,155
2025	53,777
2026	43,996
2027	33,791
2028 - 2031	50,202
	<u>\$ 317,027</u>

E. Interest Expense

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

Interest paid	\$ 1,235,549
Less: interest accrued in the prior year	(602,916)
Plus: interest accrued in the current year	1,442,767
Less: amortization of deferred premium on refunding	<u>(78,738)</u>
Total expense	<u>\$ 1,996,662</u>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Unissued Debt

As of December 31, 2022, 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	15,425,000	5,470,000
2018	7,300,000	4,900,000	2,400,000
2019	33,229,000	24,575,000	8,654,000
2020	23,219,000	15,775,000	7,444,000
2022	39,149,150		39,149,150
	<u>\$133,777,150</u>	<u>\$ 70,660,000</u>	<u>\$ 63,117,150</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 16.34% of covered payroll for the ERS’ fiscal year ending March 31, 2022.

The District’s share of the required contributions, based on covered payroll for the District’s year ended December 31, 2022 was \$291,806, at an average contribution rate of 12.36%.

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, 2022, 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, 2022. The total pension asset/(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, 2022
District's proportionate share of the net pension asset	\$ 654,911
District's portion of the Plan's total net pension liability	0.0080115 %
Change in proportion since the prior measurement date	0.0004469

For the year ended December 31, 2022, the District recognized pension expense of \$74,419 for ERS. At December 31, 2022, 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	\$ 49,597	\$ 64,331
Changes in assumptions	1,092,973	18,443
Net difference between projected and actual earnings on pension plan investments		2,144,558
Changes in proportion and differences between the District's contributions and proportionate share of contributions	148,700	41,539
District contributions subsequent to the measurement date	218,585	
Total	<u>\$ 1,509,855</u>	<u>\$ 2,268,871</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, 2023. 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
2023	\$ (123,718)
2024	(209,545)
2025	(544,629)
2026	(99,709)
	<u>\$ (977,601)</u>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2022
Actuarial valuation date	April 1, 2021
Inflation	2.7 %
Salary increases	4.4 %
Investment rate of return (net of investment expense, including inflation)	5.9 %
Cost of living adjustments	1.4 %

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

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

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, 2022
Asset type		
Domestic equity	32.0 %	3.30 %
International equity	15.0 %	5.85 %
Real estate equity	9.0 %	5.00 %
Private equity	10.0 %	6.50 %
Alternative investments	10.0 %	3.78-5.58 %
Fixed income	23.0 %	0.00 %
Cash	<u>1.0 %</u>	-1.00 %
	100.0 %	

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

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates,

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.

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 5.9 %	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	\$ (1,685,733)	\$ 654,911	\$ 2,612,747

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, 2022
Employers' total pension liability	\$ (223,874,888)
Plan fiduciary net position	232,049,473
Employers' net pension asset	\$ 8,174,585
Ratio of plan fiduciary net position to the employers' total pension liability	103.65%

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 \$72,952 for the period of January 1, 2023 through March 31, 2023. 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, 2022 totaled \$76,532.

JERICHO 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 January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	24
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	36
	60

B. Total OPEB Liability

The District’s total OPEB liability of \$14,577,976 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2021. 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	3.72%	
Healthcare cost trend rates	6.50%	for 2022, decreasing to an ultimate rate of 5.00% by 2025
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, 2022 to reflect current interest rate trends.

Mortality rates were based on the RPH-2014 Total Dataset mortality table projected fully generationally using projection scale MP-2021.

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

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Changes in the Total OPEB Liability

Balance at December 31, 2021	<u>\$ 18,181,261</u>
Changes for the year	
Service cost	883,253
Interest on total OPEB liability	387,917
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(4,404,907)
Benefit payments	<u>(469,548)</u>
	<u>(3,603,285)</u>
Balance at December 31, 2022	<u><u>\$ 14,577,976</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% in 2021 to 3.72% in 2022.

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 (2.72%) or 1 percentage point higher (4.72%) than the current discount rate:

OPEB	1% Decrease 2.72%	Discount Rate 3.72%	1% Increase 4.72%
Total OPEB liability	<u>\$ (17,027,438)</u>	<u>\$ (14,577,976)</u>	<u>\$ (12,615,632)</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5% decreasing to 4%) or 1 percentage point higher (7% decreasing to 6%) than the current healthcare cost trend rate:

OPEB	1% Decrease 5.50% decreasing to 4.00%	Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% decreasing to 6.00%
Total OPEB liability	<u>\$ (12,262,351)</u>	<u>\$ (14,577,976)</u>	<u>\$ (17,597,130)</u>

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

For the year ended December 31, 2022, the District recognized OPEB expense of \$1,127,680. At December 31, 2022, 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	\$ 1,896,013	\$ 653,047
Changes of assumptions	<u>1,771,408</u>	<u>3,918,948</u>
Total	<u><u>\$ 3,667,421</u></u>	<u><u>\$ 4,571,995</u></u>

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending December 31,	Amount
2023	\$ (106,484)
2024	62,076
2025	30,265
2026	(151,503)
2027	(268,841)
Thereafter	(470,087)
	\$ (904,574)

15. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate \$50,000 for the employee benefit accrued liability reserve, which is reported in the December 31, 2022 restricted fund balances, to fund the budget and reduce property taxes for the year ending December 31, 2023.

16. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$120,000 has been appropriated to reduce property taxes for the year ending December 31, 2023.

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 payments in lieu of taxes (PILOT) payments totaling \$126,805.

The District also recognized \$122,515 in LIPA PILOT revenue. As indicated in Note 1E, these LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*.

18. RISK MANAGEMENT

The District insures against liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability not covered by insurance has been incurred and the amount of loss can be reasonable estimated. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage over the last three years.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

19. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

At December 31, 2022, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	
Capital improvements and professional fees	<u>\$ 54,495,454</u>
Assigned: Unappropriated Fund Balance	
General Fund	
Water Administration	\$ 17,147
Purification	637
Transmission and Distribution	<u>333,947</u>
	<u>\$ 351,731</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.

The District is in the final stages of settlement negotiations with a contractor for \$135,000 as a result of delays in approvals by the county's Department of Health. Any settlement will be paid from the general fund when agreed to and approved by the Board of Commissioners.

20. SUBSEQUENT EVENTS

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

A. Bond Anticipation Notes Payable

On March 8, 2023, the Town of Oyster Bay issued bond anticipation notes on behalf of the District in the amount of \$ 72,768,000, which mature on March 8, 2024 and bear interest at 5.00%. These bond anticipation notes, along with \$2,180,000 in general fund appropriations, were used to pay \$53,580,000 in outstanding bond anticipation notes and provide additional funding for capital projects in the amount of \$21,368,000.

B. Grant Award

On March 15, 2023, the District was awarded \$5,000,000 from the New York State Department of Health through the Drinking Water State Revolving Fund funded by federal funds through the 2022 Bipartisan Infrastructure Law Emerging Contaminants Funds. These funds will be used to treat Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) at wells 18, 19, and 29.

JERICO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Sale of Property

On March 10, 2023, the District sold property on Robbins Lane in Jericho for \$1,075,000. In addition, on April 15, 2023, the District sold property on Saratoga Drive in Jericho for \$895,000. These properties were sites of abandoned wells no longer needed by the District.

JERICHO WATER DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Real property taxes	\$ 5,226,511	\$ 5,226,511	\$ 5,226,536	\$ 25
Other tax items	81,218	81,218	249,320	168,102
Program revenues				
Metered water sales	10,300,000	10,300,000	10,378,889	78,889
Hydrant and sprinkler permits	25,000	25,000	20,000	(5,000)
Interest and penalties - water rents	55,000	55,000	122,819	67,819
Implementation charges	5,500	5,500	9,150	3,650
Total program revenues	<u>10,385,500</u>	<u>10,385,500</u>	<u>10,530,858</u>	<u>145,358</u>
Use of money and property	47,500	47,500	314,903	267,403
Fines and Forfeitures	39,700	39,700	73,750	34,050
Sale of property and compensation for loss				
Sale of water supplies	225,000	225,000	323,544	98,544
Plant supplies and labor	90,000	90,000	109,100	19,100
Insurance recoveries	15,000	15,000	8,005	(6,995)
Sale of scrap and excess materials			9,529	9,529
Total sale of property and compensation for loss	<u>330,000</u>	<u>330,000</u>	<u>450,178</u>	<u>120,178</u>
Miscellaneous				
Refund of prior year expense	5,000	5,000	19,515	14,515
Other unclassified revenue	2,000	41,500	1,030,987	989,487
Total miscellaneous	<u>7,000</u>	<u>46,500</u>	<u>1,050,502</u>	<u>1,004,002</u>
Total Revenues	<u>16,117,429</u>	<u>16,156,929</u>	<u>17,896,047</u>	<u>\$ 1,739,118</u>
Appropriated Fund Balance				
Prior Years' Surplus	120,000	120,000		
Prior Year's Encumbrances	220,591	220,591		
Appropriated Reserves	<u>175,000</u>	<u>1,931,148</u>		
Total Revenues and Appropriated Fund Balance	<u>\$ 16,633,020</u>	<u>\$ 18,428,668</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, 2022

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
Water Administration					
Office salaries	\$ 682,500	\$ 780,399	\$ 776,387	\$	\$ 4,012
Commissioners fees	35,000	35,000	26,900		8,100
Office equipment	28,000	28,000	17,263		10,737
Auditing	35,033	35,033	27,326	5,032	2,675
Legal	65,000	68,000	66,878		1,122
Other professional fees	46,000	41,100	35,507		5,593
Insurance	304,000	297,500	232,548		64,952
Communications	58,000	58,000	49,972		8,028
Computer expense	96,550	94,550	78,937		15,613
Office expense	118,000	131,400	102,261	12,115	17,024
Water conservation	5,000	5,000			5,000
Conventions, dues & education	15,500	12,500	10,102		2,398
NY MTA tax	10,000	10,000	9,491		509
Election expenses	5,000	5,000	1,474		3,526
Contingency	220,851	220,851			220,851
Total Water Administration	<u>1,724,434</u>	<u>1,822,333</u>	<u>1,435,046</u>	<u>17,147</u>	<u>370,140</u>
Source of Supply, Power & Pumping					
Heat, light & power	<u>2,605,950</u>	<u>2,605,950</u>	<u>2,474,348</u>		<u>131,602</u>
Purification					
Caustic soda	500,000	500,000	337,545		162,455
Water analysis	672,842	528,542	419,662		108,880
Repairs	15,000	17,200	16,550	637	13
Total Purification	<u>1,187,842</u>	<u>1,045,742</u>	<u>773,757</u>	<u>637</u>	<u>271,348</u>
Transmission and Distribution					
Plant salaries	2,085,000	2,144,965	2,014,197		130,768
Equipment & capital outlay	311,459	299,359	117,696	172,022	9,641
Water supplies	322,625	392,625	180,661	89,444	122,520
Plant supplies	74,500	71,500	34,969	7,199	29,332
Plant expense	106,798	116,798	86,977	1,118	28,703
Grounds maintenance	37,500	40,000	39,750		250
Engineering & consulting	124,009	158,059	82,194	58,661	17,204
Auto	82,500	104,500	98,917		5,583
Road patches	125,000	119,000	107,764		11,236
Electrical & well repair	299,725	383,225	289,483	5,503	88,239
Other professional services	270,550	253,500	228,799		24,701
Conventions, dues & education	12,500	5,000	3,330		1,670
Licenses & permits	5,000	3,500	100		3,400
Total Transmission and Distribution	<u>3,857,166</u>	<u>4,092,031</u>	<u>3,284,837</u>	<u>333,947</u>	<u>473,247</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, 2022

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
Employee Benefits					
NYS employees' retirement system	\$ 415,000	\$ 415,000	\$ 291,806	\$	\$ 123,194
Employee accrual payouts	200,000	42,136			42,136
Social security	237,500	237,500	200,083		37,417
Workers' compensation	130,000	130,000	79,848		50,152
Life insurance	5,000	5,000	3,980		1,020
Unemployment insurance	5,000	5,000			5,000
Hospital, medical & dental	1,427,500	1,427,500	1,180,167		247,333
Total Employee Benefits	<u>2,420,000</u>	<u>2,262,136</u>	<u>1,755,884</u>	<u>-</u>	<u>506,252</u>
Debt Service					
Principal	2,605,000	1,791,000	1,791,000		-
Interest	1,228,628	1,212,628	1,206,748		5,880
Total Debt Service	<u>3,833,628</u>	<u>3,003,628</u>	<u>2,997,748</u>	<u>-</u>	<u>5,880</u>
 Total Expenditures	 <u>15,629,020</u>	 <u>14,831,820</u>	 <u>12,721,620</u>	 <u>351,731</u>	 <u>1,758,469</u>
Other Financing Uses					
Operating transfers out	1,004,000	2,766,848	2,016,848		750,000
BANs redeemed		830,000	830,000		-
Total Other Financing Uses	<u>1,004,000</u>	<u>3,596,848</u>	<u>2,846,848</u>	<u>-</u>	<u>750,000</u>
 Total Expenditures and Other Uses	 <u>\$ 16,633,020</u>	 <u>\$ 18,428,668</u>	 <u>15,568,468</u>	 <u>\$ 351,731</u>	 <u>\$ 2,508,469</u>
 Net Change in Fund Balances			 2,327,579		
Fund Balances - Beginning of Year			<u>14,929,867</u>		
Fund Balances - End of Year			<u>\$ 17,257,446</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 the District's Proportionate Share of the Net Pension Asset/(Liability)
 Last Eight Fiscal Years

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	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)	\$ 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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	26.09 %	0.30 %	88.37 %	21.28 %	10.79 %	35.10 %	59.17 %	12.84 %
Plan fiduciary net position as a percentage of the total pension liability	103.65 %	99.95 %	86.39 %	96.27 %	98.24 %	94.70 %	90.68 %	97.95 %
Discount rate	5.90 %	5.90 %	6.80 %	7.00 %	7.00 %	7.00 %	7.00 %	7.50 %

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

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 291,806	\$ 494,900	\$ 361,132	\$ 360,314	\$ 341,999	\$ 330,023	\$ 334,564	\$ 380,821	\$ 394,553	\$ 424,582
Contributions in relation to the contractually required contribution	291,806	494,900	361,132	360,314	341,999	330,023	334,564	380,821	394,553	424,582
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	\$ 2,361,215	\$ 2,532,967	\$ 2,428,283	\$ 2,497,127	\$ 2,412,572	\$ 2,211,586	\$ 2,136,332	\$ 2,156,307	\$ 2,070,708	\$ 2,076,672
Contributions as a percentage of covered payroll	12 %	20 %	15 %	14 %	14 %	15 %	16 %	18 %	19 %	20 %

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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 883,253	\$ 846,493	\$ 603,712	\$ 421,263	\$ 480,832
Interest on total OPEB liability	387,917	377,999	358,157	422,382	423,688
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	2,661,824	-	(1,613,419)	-
Changes of assumptions or other inputs	(4,404,907)	45,628	1,421,108	2,376,962	(1,196,390)
Benefit payments	(469,548)	(415,834)	(368,618)	(324,262)	(348,929)
Net change in total OPEB liability	(3,603,285)	3,516,110	2,014,359	1,282,926	(640,799)
Total OPEB liability, beginning	18,181,261	14,665,151	12,650,792	11,367,866	12,008,665
Total OPEB liability, ending	<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	\$ 2,076,195	\$ 2,076,195	\$ 2,157,954	\$ 2,105,321	\$ 2,750,407
Total OPEB liability as a percentage of covered employee payroll	702.15 %	875.70 %	679.59 %	600.90 %	413.32 %
Discount Rate	3.72 %	2.06 %	2.12 %	2.74 %	4.10 %
Healthcare Trend Rate	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

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, 2022

PROJECT TITLE	Budget 12/31/21	Budget 12/31/22	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance 12/31/22	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
Bond Authorizations											
Wheatley Tank Rehabilitation	\$ 9,972,562	\$ 9,972,562	\$ 8,386,087	\$ 84,507	\$ 8,470,594	\$ 1,501,968	\$ 9,972,562	\$	\$	\$ 9,972,562	\$ 1,501,968
Split Rock Tank Rehabilitation	7,397,867	7,397,867	3,313,847	494,682	3,808,529	3,589,338	7,397,867			7,397,867	3,589,338
Nitrate Removal Facility	10,710,000	10,710,000	8,980,410	352,631	9,333,041	1,376,959	7,710,000	3,000,000		10,710,000	1,376,959
Meter Change Out Program	8,162,438	8,162,438	5,592,843	299,908	5,892,751	2,269,687	7,812,438		350,000	8,162,438	2,269,687
PTAS @ Well Nos. 6 & 16	7,600,000	7,600,000	3,597,300	2,106,329	5,703,629	1,896,371	7,600,000			7,600,000	1,896,371
Kirby Lane AOP System	11,834,200	17,395,000	1,097,188	5,855,641	6,952,829	10,442,171	11,784,200	5,610,800		17,395,000	10,442,171
Merry Lane AOP System	4,599,230	10,496,000	603,954	3,392,856	3,996,810	6,499,190	4,599,230	5,896,770		10,496,000	6,499,190
Southwoods Rd. Test Well	10,122,000	13,405,000	852,104	857,826	1,709,930	11,695,070	13,405,000			13,405,000	11,695,070
Service Connection Replacement	1,440,000	1,440,000	8,984		8,984	1,431,016	1,440,000			1,440,000	1,431,016
Water Main Replacement Program	3,975,000	3,975,000	1,620	2,609	4,229	3,970,771	3,975,000			3,975,000	3,970,771
Well Rehabilitation Program	1,440,000	1,440,000	218,564	192,148	410,712	1,029,288	1,440,000			1,440,000	1,029,288
Tank Rehabilitation Program	5,450,000	14,641,150	74,128	4,386,918	4,461,046	10,180,104	14,641,150			14,641,150	10,180,104
New 3MG Tank & Booster Station	423,000	423,000			-	423,000	423,000			423,000	423,000
Well No. 17 & 20 GAC Treatment	3,131,000	3,131,000	2,804,048	43,607	2,847,655	283,345	3,131,000			3,131,000	283,345
Well No. 22 AOP	1,080,000	11,516,000	255,481	305,391	560,872	10,955,128	11,516,000			11,516,000	10,955,128
Well No. 20 & 21 AOP	759,000	16,998,000	460,550	2,578,812	3,039,362	13,958,638	16,998,000			16,998,000	13,958,638
Unallocated Bond 2013/2017	3,000,000	3,000,000			-	3,000,000	3,000,000			3,000,000	3,000,000
Bond Issuance Cost	125,570	125,570	68,130	70,861	138,991	(13,421)	125,570			125,570	(13,421)
General Fund Appropriations											
Anita Avenue Water Main Replacement	96,899	94,895	93,886		93,886	1,009			94,895	94,895	1,009
Light Truck	572,139	572,139	570,970		570,970	1,169		572,139	572,139	572,139	1,169
Heavy Duty Trucks	281,224	281,224	195,222	68,140	263,362	17,862		281,224	281,224	281,224	17,862
Pump House No. 12 Building	252,000	238,756	238,756		238,756	-		238,756	238,756	238,756	-
Installation of GACs	984,000	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		1,061,192	14,973		1,076,165	1,076,165	1,076,165	14,973
McCoun's Lane Water Main	1,262,000	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	78,000	364
Woodbury Tank Altitude Valve	375,000	285,837	283,833	321	284,154	1,683		285,837	285,837	285,837	1,683
Transfer Switch Replacement	236,000	291,000	34,145	170,359	204,504	86,496		291,000	291,000	291,000	86,496
SCADA System Replacement	49,000	749,000	39,533	310,635	350,168	398,832		749,000	749,000	749,000	398,832
Well Nos. 18 & 19 Drywells	878,520	878,520	327,376	507,160	834,536	43,984		878,520	878,520	878,520	43,984
Juneau Electric Upgrade	110,000	591,685	36,480	124,031	160,511	431,174		591,685	591,685	591,685	431,174
DH - Building Renovations	65,000	203,700	14,993		14,993	188,707		203,700	203,700	203,700	188,707
Pump House Door Replacement	113,356	113,356		113,356	113,356	-		113,356	113,356	113,356	-
NYS WIIA Grant Applications for 2021	10,800	10,800	7,369		7,369	3,431		10,800	10,800	10,800	3,431
Flow Control Valve Maintenance		376,500		52,200	52,200	324,300		376,500	376,500	376,500	324,300
DH Architectural Improvements		218,000		57,255	57,255	160,745		218,000	218,000	218,000	160,745
Well No. 14 PH-Interior Renovations		122,000			-	122,000		122,000	122,000	122,000	
Replace Garage Doors at DH		179,000			-	179,000		179,000	179,000	179,000	
Unallocated General Fund	370	370			-	370		370	370	370	
Installation - Developers	1,415,325	1,764,352	1,415,325	349,027	1,764,352	-		1,764,352	1,764,352	1,764,352	-
Totals	\$ 99,077,665	\$ 152,050,260	\$ 42,808,328	\$ 22,777,210	\$ 65,585,538	\$ 86,464,722	\$ 126,971,017	\$ 14,507,570	\$ 10,571,673	\$ 152,050,260	86,464,722

Revenue not yet recognized:
Bond proceeds (63,547,150)
Grants (6,219,938)
Fund Balance \$ 16,697,634

