



**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
*(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)*

*FINANCIAL STATEMENTS*  
**DECEMBER 31, 2023**

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Independent Auditors' Report</b>	1-3
<b>Management's Discussion and Analysis (Unaudited)</b>	4-10
<b>Basic Financial Statements:</b>	
District-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	16
<b>Notes to Financial Statements</b>	17-36
<b>Required Supplementary Information (Unaudited)</b>	
Budgetary Comparison Schedule – General Fund	37
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	38
Schedule of the District's Proportionate Share of the Net Pension Liability	39
Schedule of the District's Contributions	40
<b>Supplementary Information:</b>	
Schedule of General Fund Expenditures, Encumbrances And Transfers -Budget and Actual	41-44
Combining Balance Sheet – Capital Projects Fund by Project	45
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund by Project	46
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>:</b>	47-48



## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Board of Commissioners of the  
Port Washington Water Pollution Control District

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Port Washington Water Pollution Control District (the "District"), a component unit of the Town of North Hempstead, New York, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Port Washington Water Pollution Control 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 net position of the Port Washington Water Pollution Control District, as of December 31, 2023, and the changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port Washington Water Pollution Control 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 opinion.

#### ***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 Port Washington Water Pollution Control 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.

#### ***Auditors' 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 and *Government 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 and *Government 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 Port Washington Water Pollution Control 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 Port Washington Water Pollution Control 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 the management's discussion and analysis and the required supplementary information other than management's discussion and analysis as listed on the table of contents, 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as presented in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Satty, Levine & Ciacco CPAs PC*

Satty, Levine & Ciacco, CPAs, P.C.

Melville, New York

May 29, 2024

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

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Our discussion and analysis of the Port Washington Water Pollution Control District's (the "District") financial performance provides an overview of the District's financial activities for the year ended December 31, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

As reflected in the District-wide financial statements, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at December 31, 2023 by \$6,743,034 (net position), of which there is a \$2,264,999 unrestricted deficit which means the District must meet its ongoing obligations to citizens and creditors from future revenue.

As reflected in the fund financial statements as of the close of the current fiscal year, the District's government funds reported a fund balance of \$2,308,612 (an increase of \$15,046,509 in comparison with the prior year). Of this amount, \$289,770 is nonspendable, \$219,937 is restricted, \$225,000 is assigned, and \$1,573,905 is unassigned.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include the combined District-wide and fund financial statements and notes to the financial statements. The District also includes in the report additional information to supplement the basic financial statements.

**Combined District-Wide and Fund Financial Statements** - The District's basic financial statement includes a Statement of Net Position and a Statement of Activities prepared on a District-wide basis. The basic financial statements also include fund financial statements entitled Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The Notes to the financial statements are also an integral part of these financial statements.

**District-Wide Financial Statements** - The District-wide financial statements provide both long-term and short-term information about the District's status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these District-wide statements is the Statement of Net Position. This statement presents information that includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second District-wide statement is the Statement of Activities which reports how the District's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District activities on revenues provided by real estate tax revenue collected by the Town of North Hempstead.

**Fund Financial Statements** - A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. As of and for the year ending December 31, 2023, the District's General Fund and Capital Projects Fund were major funds and the Debt Service Fund was a non-major governmental fund.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

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All of the District's funds are classified as Governmental Funds. Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the District-wide portion of the financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the calendar year. The fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting.

Since the District-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 with the Statement of Net Position and the Statement of Activities to assist in understanding the difference between these two perspectives.

**Notes to Financial Statements** - The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

**Required Supplementary Information** - This management discussion and analysis as well as the Budgetary Comparison Schedule - General Fund, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Schedule of District's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions that follow the notes to the financial statements are required supplementary information to supplement the basic financial statements.

**Supplementary Information** - A summary schedule of the Schedule of General Fund Expenditures, Encumbrances and Transfers - Budget and Actual, Combining Balance Sheet - Capital Projects Fund by Project, and Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund by Project are also presented in this report.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,743,034 at the close of the year.

The District has an investment in capital assets, net of related debt totaling \$8,788,096 and a restricted net position of \$219,937 at December 31, 2023. The remaining balance of unrestricted net deficit totaling \$2,264,999 may be used to meet the District's ongoing obligations to citizens and creditors.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**DISTRICT'S NET POSITION**

The following table provides a summary of the District's Net Position:

	<u>Governmental Activities</u>		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>Assets and Deferred Outflows of Resources:</b>			
Current and other assets	\$ 8,705,960	\$ 8,831,872	\$ (125,912)
Capital assets, net	41,299,322	41,944,795	(645,473)
Deferred outflows of resources	<u>1,374,479</u>	<u>855,597</u>	<u>518,882</u>
Total assets and deferred outflows of resources	<u>\$ 51,379,761</u>	<u>\$ 51,632,264</u>	<u>\$ (252,503)</u>
<b>Liabilities and Deferred Inflows of Resources:</b>			
Current liabilities	\$ 7,848,045	\$ 22,638,706	\$(14,790,661)
Non-current liabilities	34,548,644	18,673,811	15,874,833
Deferred inflows of resources	<u>2,240,038</u>	<u>4,403,793</u>	<u>(2,163,755)</u>
Total liabilities and deferred inflows of resources	<u>44,636,727</u>	<u>45,716,310</u>	<u>(1,079,583)</u>
<b>Net Position:</b>			
Net Investment in capital assets	8,788,096	10,934,275	(2,146,179)
Restricted	219,937	443,538	(223,601)
Unrestricted	<u>(2,264,999)</u>	<u>(5,461,859)</u>	<u>3,196,860</u>
Total Net Position	<u>\$ 6,743,034</u>	<u>\$ 5,915,954</u>	<u>\$ 827,080</u>

Current and other assets decreased over the prior year by \$125,912, primarily due to a decrease in cash and cash equivalents. Capital assets decreased over the prior year by \$645,473, primarily as a result of numerous capital projects additions offset by depreciation expense.

Current liabilities decreased over the prior year by \$14,790,661, primarily due to decreases in accounts payable and accrued expenses and BANs payable. Non-current liabilities increased by \$15,874,833 primarily as a result of increases in the net pension liability, postemployment benefits, and bonds payable offset by current year principal payments.

Currently, the largest portion of the District's net position of \$8,788,096 reflects its net investment in capital assets (e.g. land, buildings, improvements and machinery and equipment). Capital assets are used to provide service to citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets decreased over the prior year by \$2,146,179, primarily as a result of capital assets additions and the reduction of the capital related debt.

A portion of the District's net position, \$219,937, represents resources that are subject to external restriction on how they may be used.

The remaining balance of the District's net position deficit of \$2,264,999 means the District must meet its ongoing obligations to citizens and creditors from future revenue.



**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**DISTRICT’S CHANGES IN NET POSITION**

The following table provides a summary of the District's changes in net position:

	Governmental Activities			
	2023	% of Totals	2022	% of Totals
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,250,253	15.1%	\$ 1,241,199	17.2%
General revenues:				
Real property taxes	6,782,579	82.0%	5,895,597	81.5%
Sales of property / compensation	-	0.0%	-	0.0%
Insurance recoveries	-	0.0%	-	0.0%
Use of money and property	271,337	3.3%	36,442	0.5%
Miscellaneous	(31,868)	-0.4%	60,094	0.8%
Total Revenues	<u>8,272,301</u>	<u>100.0%</u>	<u>7,233,332</u>	<u>100.0%</u>
<b>Expenses:</b>				
Sewer operations	6,511,368	87.5%	6,194,997	94.3%
Debt service	933,853	12.5%	376,370	5.7%
Total Expenses	<u>7,445,221</u>	<u>100.0%</u>	<u>6,571,367</u>	<u>100.0%</u>
Change in Net Position	827,080		661,965	
Beginning Net Position	<u>5,915,954</u>		<u>5,253,989</u>	
Ending Net Position	<u>\$ 6,743,034</u>		<u>\$ 5,915,954</u>	

**Revenue Categories:**

Program Revenues – includes charges for services which provide a direct benefit to the purchaser, including fees for sewer administration and treatment. Revenue contributed by external governments that are restricted to supporting these types of programs are also classified as program revenues as either operating or capital grants.

General Revenues – includes revenues that are available to fund the overall government and to provide a benefit to all taxpayers in the District. This includes property taxes and miscellaneous funds that may be generated during the course of the year, such as sales on excess equipment and insurance property loss claims received.

The District’s revenues increased by \$1,038,969, primarily due to an increase in property taxes and use of money and property.

**Expense Categories:**

The District’s expenses increased by \$873,854, primarily due to the postemployment benefits other than pensions adjustment.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

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

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds** - The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$2,308,612, an increase of \$15,046,509 in comparison to the prior year. Of this total amount \$1,573,905 constitutes unassigned fund balance.

**General Fund** - The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,515,597, while total fund balance reached \$4,250,304. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and other financing uses, ("total appropriations"), which is 44% and 54% respectively.

The fund balance of the District's General Fund increased during the current fiscal year by \$316,590. The key factor in this was overall revenues were more than budgeted amounts.

**Capital Projects Fund** - The fund balance in the Capital Projects Fund increased during the year by \$14,617,807 to a deficit fund balance of \$2,064,455. This was primarily the result of capital expenditures related to the various infrastructure projects and proceeds from sale of bonds payable.

**Debt Service Fund** - The fund balance in the Debt Service Fund increased during the current fiscal year by \$112,112 to \$122,763. The key factor in this was interest income.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund for the year ended December 31, 2023 included appropriations of \$8,469,798. During the year, the District incurred expenditures and other financing uses of \$7,939,471 or 100% against the final budget. The District's actual revenues and other financing sources of \$8,256,061 was more than the adjusted budget revenues by \$316,590. The District's final budget expected fund balance to increase by \$316,590.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - The District’s investment in capital assets for its governmental activities as of December 31, 2023, amounts to \$41,299,322 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, infrastructure, and vehicles, furniture and machinery and equipment.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 3,838,223	\$ 3,838,223
Construction in progress	732,704	25,714
Buildings	10,479,056	10,647,911
Improvements other than buildings	3,028,952	3,149,521
Infrastructure	22,321,398	23,684,576
Vehicles, furniture, machinery and equipment	898,989	598,850
Total	<u>\$ 41,299,322</u>	<u>\$ 41,944,795</u>

Additional information on the District’s capital assets is shown in Note 5 on page 25 of this report.

**Debt Administration** - The District borrows money in order to acquire land or equipment or construct buildings and improvements or infrastructure. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The District pledges its full faith and credit for the payment of principal and interest.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
<u>Serial bonds payable:</u>		
Town of North Hempstead		
Serial bonds payable	\$ 16,075,425	\$ 528,819
State bonds and statutory		
installment bond - EFC	10,623,801	11,181,701
Subtotal	<u>\$ 26,699,226</u>	<u>\$ 11,710,520</u>

Additional information on the District’s outstanding debt is shown in Note 7 on page 26 of this report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2023**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Port Washington Water Pollution Control District provides water pollution services within its territorial jurisdiction within the Town of North Hempstead, New York.

Analysis of economic factors and trends are helpful to the District budgetary process. For the calendar year 2024, the District approved a total General Fund budget of \$8,991,119 which requires a tax levy of \$7,251,682 after applying estimated revenues of \$1,514,437 and appropriating \$225,000 of fund balance. The 2024 tax levy is 7.8% higher than the 2023 levy due to the costs to upgrade and repair various pump stations and the plant as well the increase in interest rates for the debt.

Chapter 97 of the 2011 Laws of New York limits the increase in the property tax levy of its local governments to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. The District may override the tax levy limit by drafting a local law of resolution that overrides the tax levy limit with the approval of at least sixty percent of the governing body. The District's 2024 tax levy exceeded the tax levy limit by approximately \$390,000.

**CONTACTING THE DISTRICT FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have questions about the report or would like to request additional information, contact the District Administrative Office at 70 Harbor Road, Port Washington, New York 11050.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,076,317
Restricted cash	219,937
Accounts receivable	110,558
Due from other governments	4,009,378
Prepaid expenses	269,597
Inventory	20,173
Capital assets:	
Non-depreciable capital assets	4,570,927
Depreciable capital assets (net)	<u>36,728,395</u>
Total Assets	<u>50,005,282</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pensions	759,822
Postemployment benefits other than pensions	<u>614,657</u>
Total Deferred Outflows of Resources	<u>1,374,479</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 51,379,761</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>LIABILITIES:</b>	
Accounts payable and accrued liabilities	\$ 570,986
Accrued interest payable	472,566
Due to other governments	14,362
Bond anticipation notes payable	5,812,000
Long-term liabilities:	
Current portion of long term liabilities (due within one year):	
General obligation bonds payable	978,131
Long-term portion of long term liabilities (due beyond one year):	
General obligation bonds payable	25,721,095
Proportionate share of net pension asset	887,724
Postemployment benefits other than pensions	7,516,478
Compensated absences	<u>423,347</u>
Total Liabilities	<u>42,396,689</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Pensions	52,800
Postemployment benefits other than pensions	<u>2,187,238</u>
Total Deferred Inflows of Resources	<u>2,240,038</u>
<b>NET POSITION:</b>	
Net investment in capital assets	8,788,096
Restricted	219,937
Unrestricted	<u>(2,264,999)</u>
Total Net Position	<u>6,743,034</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><u>\$ 51,379,761</u></u>

See accompanying notes to the basic financial statements.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM (FUNCTION) REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>				
Home and community services				
- Sewer operations	\$ 6,511,368	\$ 1,250,253	\$ -	\$ (5,261,115)
Debt service	933,853	-	-	(933,853)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,445,221</b>	<b>\$ 1,250,253</b>	<b>\$ -</b>	<b>(6,194,968)</b>

<u>GENERAL REVENUES:</u>	
Real property taxes	6,782,579
Interest earnings	271,337
Loss from disposal of fixed assets	(35,980)
Miscellaneous	4,112
<b>TOTAL GENERAL REVENUES</b>	<b>7,022,048</b>
<b>CHANGE IN NET POSITION</b>	<b>827,080</b>
<b>NET POSITION - BEGINNING</b>	<b>5,915,954</b>
<b>NET POSITION - ENDING</b>	<b>\$ 6,743,034</b>

See accompanying notes to the basic financial statements.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	<b>GOVERNMENTAL FUND TYPES</b>			
	<b>GENERAL FUND</b>	<b>CAPITAL PROJECTS</b>	<b>DEBT SERVICE</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,954,923	\$ 121,394	\$ -	\$ 4,076,317
Restricted cash	219,937	-	-	219,937
Accounts receivable	110,529	29	-	110,558
Due from other funds	-	-	122,820	122,820
Due from other governments	133,393	3,875,985	-	4,009,378
Prepaid expenses	269,597	-	-	269,597
Inventory	20,173	-	-	20,173
<b>TOTAL ASSETS</b>	<b>\$ 4,708,552</b>	<b>\$ 3,997,408</b>	<b>\$ 122,820</b>	<b>\$ 8,828,780</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 421,610	\$ 149,376	\$ -	\$ 570,986
Due to other funds	23,205	99,615	-	122,820
Due to other governments	13,433	872	57	14,362
Bond anticipation notes payable	-	5,812,000	-	5,812,000
<b>TOTAL LIABILITIES</b>	<b>458,248</b>	<b>6,061,863</b>	<b>57</b>	<b>6,520,168</b>
<b>FUND BALANCE</b>				
Nonspendable				
Prepaid expenses	269,597	-	-	269,597
Inventory	20,173	-	-	20,173
Restricted				
For employee benefit accrued liability	159,162	-	-	159,162
For debt service	60,775	-	-	60,775
Assigned				
For subsequent year's budget	225,000	-	-	225,000
Unassigned	3,515,597	(2,064,455)	122,763	1,573,905
<b>TOTAL FUND BALANCE</b>	<b>4,250,304</b>	<b>(2,064,455)</b>	<b>122,763</b>	<b>2,308,612</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,708,552</b>	<b>\$ 3,997,408</b>	<b>\$ 122,820</b>	<b>\$ 8,828,780</b>

See accompanying notes to the basic financial statements.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 2,308,612</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,299,322
Proportionate share of long-term asset and liability, and deferred outflows and inflows of resources associated with participation in the state retirement system are not current financial resources or obligations and are not recorded in the funds.	
Deferred outflows of resources	759,822
Deferred inflows of resources	(52,800)
Net pension (liability) asset - proportionate share	(887,724)
The District's total OPEB liability as well as OPEB related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred outflows of resources	614,657
Deferred inflows of resources	(2,187,238)
Postemployment benefits other than pensions	(7,516,478)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	
Serial bonds payable	(26,699,226)
Accrued interest payable	(472,566)
Compensated absences	(423,347)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 6,743,034</b>

See accompanying notes to the basic financial statements.



**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	GOVERNMENTAL FUND TYPES			TOTAL
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	
<b>REVENUES:</b>				
Real property taxes	\$ 6,782,579	\$ -	\$ -	\$ 6,782,579
Charges for services	1,250,253	-	-	1,250,253
Interest earnings	158,342	882	112,112	271,336
Miscellaneous	4,112	-	-	4,112
Federal aid	-	-	-	-
<b>TOTAL REVENUES</b>	<b>8,195,286</b>	<b>882</b>	<b>112,112</b>	<b>8,308,280</b>
<b>EXPENDITURES:</b>				
Sewer administration	593,918	-	-	593,918
Sanitary sewers	1,884,765	-	-	1,884,765
Sewage treatment and disposal	2,101,169	-	-	2,101,169
Employee benefits	1,513,875	-	-	1,513,875
Capital outlay	-	1,176,255	-	1,176,255
Debt service:				
Principal - Serial bonds	-	-	686,294	686,294
Interest - Serial bonds	-	-	119,527	119,527
Principal - Bans	-	-	163,000	163,000
Interest - Bans	-	-	816,300	816,300
Fiscal agent fees	-	44,820	60,623	105,443
<b>TOTAL EXPENDITURES</b>	<b>6,093,727</b>	<b>1,221,075</b>	<b>1,845,744</b>	<b>9,160,546</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,101,559	(1,220,193)	(1,733,632)	(852,266)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance premium	60,775	-	-	60,775
Proceeds from sale of bonds	-	15,675,000	-	15,675,000
Operating transfers in	-	-	1,845,744	1,845,744
Operating transfers (out)	(1,845,744)	-	-	(1,845,744)
BANs redeemed from appropriations	-	163,000	-	163,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,784,969)</b>	<b>15,838,000</b>	<b>1,845,744</b>	<b>15,898,775</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>316,590</b>	<b>14,617,807</b>	<b>112,112</b>	<b>15,046,509</b>
<b>FUND BALANCE - BEGINNING</b>	<b>3,933,714</b>	<b>(16,682,262)</b>	<b>10,651</b>	<b>(12,737,897)</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 4,250,304</b>	<b>\$ (2,064,455)</b>	<b>\$ 122,763</b>	<b>\$ 2,308,612</b>

See accompanying notes to the basic financial statements.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 15,046,509

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlay	1,581,945	
Depreciation expense	(2,191,438)	
Disposal of fixed assets	<u>(35,980)</u>	(645,473)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Proceeds from bonds payable	(15,675,000)	
Principal payments on long-term debt	686,294	
Premiums on bonds payable and BANs	<u>184,282</u>	(14,804,424)

Changes in the District's proportionate share of pension liabilities, and changes to the Village's deferred outflows and inflows related to pensions have no effect on current financial resources and therefore are not reported in the governmental funds.

Deferred outflows of resources	(95,775)	
Deferred inflows of resources	1,190,338	
Net pension liability - proportionate share	<u>(1,250,000)</u>	(155,437)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds.

Postemployment benefits other than pensions		1,272,357
Retainage payable		225,711
Compensated absences		25,477
Accrued interest		<u>(137,640)</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 827,080

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Port Washington Water Pollution Control District (the "District"), Town of North Hempstead, New York have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

**A. Financial Reporting Entity**

The Port Washington Water Pollution Control District (the "District"), a component unit of the Town of North Hempstead, New York, was established in 1915, as a Special Improvement District in accordance with the provision of Article 12 of the Town Law of the State of New York. The elected Board of Commissioners is the legislative body responsible for overall operations of the District, with the Chairman serving as chief executive officer and the Treasurer as chief fiscal officer.

The District provides water pollution services within its territorial jurisdiction within the Town of North Hempstead, New York.

Under Governmental Accounting Standards (GASB) Statement 14, amended by GASB Statement 61, the District is a Component Unit of the Town of North Hempstead. These financial statements are included in the financial statements of the Town.

**B. Basis of Presentation**

**District-Wide Financial Statements**

The District-wide financial statements titled, the Statement of Net Position and the Statement of Activities, present financial information on all of the District's governmental activities. Governmental activities include programs supported primarily by taxes, state aid, grants and other intergovernmental revenues. The District has no business type activities.

The Statement of Net Position presents the District's financial position at year end. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include:

1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Separate financial statements are provided for governmental funds. The emphasis of governmental fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported in a separate column.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the District-wide statements.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation (Continued)**

The District's books and records are organized on the basis of funds, each of which is considered a separate accounting entity. The fund operations are accounted for with a separate set of self-balancing accounts that consists of its assets, liabilities, fund balance, revenues and expenditures. A fund is segregated for its specific objectives or attaining specific objectives in accordance with regulations, restrictions or limitations.

The District reports the following governmental funds:

The General Fund - The general fund is the District's primary operating fund and is classified as a major governmental fund. It accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions. Resources provided by bonded debt are administered by the Town on behalf of and at the direction of the District. This fund is a major governmental fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources and for the payment of bond principal, interest and related costs. Generally, the Town of North Hempstead administers the resources of this fund on behalf of and at the direction of the District. This fund is a non-major governmental fund.

**C. Measurement Focus and Basis of Accounting**

The financial statements of the Port Washington Water Pollution Control District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The District-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Port Washington Water Pollution Control District considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

Expenditures are recorded when related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

**D. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to use unrestricted resources first, then restricted resources.

**E. Cash, Cash Equivalents and Investments**

The District primarily maintains its cash and investments in individual segregated accounts grouped by fund. All investments with an original maturity of three months or less when purchased are considered cash equivalents. Cash on deposit with financial institutions is collateralized in accordance with state's statutes.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Restricted Cash**

Some of the District's cash is restricted in use for specific purposes by virtue of contractual agreements, legal requirements or enabling legislation. The District recognizes restricted cash for the amount of restricted fund balances in the General Fund.

**G. Accounts Receivable**

Receivables include amounts due from insurance reimbursements and a workers compensation refund. Receivables are recorded and revenues are recognized when earned.

**H. Interfund Receivables, Payables and Transfers**

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or due from other funds". Interfund transfer balances represent the funding of debt service from the General Fund to the Debt Service Fund or the payment of Capital Fund expenditures from General Fund cash.

**I. Due from Other Governments**

Due from other Governments include amounts due from the Town of North Hempstead for expenses incurred by the District relating to the leachate treatment, PSS and Hempstead Harbor Beach Park study, debt service payments and payments to contractors from proceeds of debt obligations.

**J. Prepaids**

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the District-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement and insurance costs which have been satisfied prior to the end of the year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Prepaid amounts in the governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**K. Capital Assets**

Capital assets, which include land, construction in process, buildings, improvements other than buildings, infrastructure, vehicles, furniture, machinery and equipment are reported in the governmental activities column in the District-Wide Financial Statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital asset acquisitions are reported as expenditures in the governmental funds financial statement of revenues, expenditures and changes in fund balances.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
 (A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**K. Capital Assets (Continued)**

Land improvements, building, improvements other than buildings, infrastructure and vehicles, furniture, machinery and equipment of the District are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

Buildings	20-50 years
Water and Sewer Systems	20-50 years
Improvements	10-25 years
Infrastructure	10-25 years
Vehicles, Furniture, Machinery and Equipment	5-10 years

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in the Statement of Activities.

**L. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred in the District-wide financial statements.

**M. Long-Term Obligations**

In the District-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed as incurred.

In the fund financial statements, bond premiums and bond issuance costs are recognized in the year of issue. The face amount of debt issued or acquisitions under capital leases are reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as fund expenditures.

Principal and interest payments on long-term debt are recorded as debt service expenditures in the period it is paid.

**N. Other Benefits**

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

Postemployment benefits are provided for retired employees and their survivors. The District pays the cost of the retired employees premiums to an insurance company which provides health care insurance. The District recognizes the cost of providing health insurance by recording insurance premiums as an expenditure in the general fund, in the year paid. Consistent with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, an accrual for the District's net other postemployment benefits obligation is included in the Statement of Net Position. See Note OPEB for further details.

**O. Short-Term Debt**

The District may issue Bond Anticipation Notes (BANs) in anticipation of proceeds from the 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.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**P. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports two items that qualify for reporting in this category. This is related to pension and postemployment benefits other than pension transactions reported in the Statement of Net Position. This represents the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual investment earnings, changes in proportion and differences between employer contributions and proportionate share of contributions, and the District's contributions to the pension system subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports two items that qualify for reporting in this category. They are related to pension and postemployment benefits other than pension transactions reported in the Statement of Net Position. These represent the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual investment earnings, and changes in proportion and differences between employer contributions and proportionate share of contributions.

**Q. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**R. Insurance**

The District insures against the liability for most risk including, but not limited to, property damage and personal injury liability. Judgment and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**S. Property taxes**

Real property taxes are collected on behalf of the District by the Town. The County of Nassau is responsible for remitting 100% of the annual tax levy to the Town. All unpaid taxes then become the responsibility of the County of Nassau.

**T. Equity Classifications**

District-wide financial statements

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

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributions, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This amount is all other net position that does not meet the definitions of "net investment in capital assets" or "restricted net position" and is deemed to be available for general use by the District.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**T. Equity Classifications (Continued)**

Governmental Fund Financial 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 assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments. Nonspendable fund balance includes the prepaid items and inventory in the general fund.

Restricted - Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grants, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Restricted Fund balance currently in use by the District include the following:

- Restricted for Capital - Resources provided by bonded debt are administered by the Town on behalf of and at the direction of the District.
- Restricted for Employee Benefit Accrued Liability - Created pursuant to General Municipal Law 6-p, is used to pay any accrued employee benefit on termination of an employee's service.
- Restricted for Debt Service- created pursuant to General Municipal Law 6-h, is used only for the payment of principal or interest on debt obligations of the District.

Assigned - Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Board of Commissioners. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget and an amount committed for the purchase of UV systems.

Unassigned - Represents the residual classification for the general fund and deficit fund balances of other governmental funds. The deficit in the capital projects fund is due to expenditures being financed by short-term Bond Anticipation Notes (BANs). Revenue in the capital projects fund will be recorded when the BANS are redeemed or replaced with permanent financing from the issuance of bonds which will eliminate the deficit.

**U. Newly Adopted Accounting Principles**

The District has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.



**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 2. Stewardship, Compliance and Accountability**

**Budgetary Information**

Budgetary Policies

The Port Washington Water Pollution Control District Administration prepares a proposed budget for approval by the Board of Water Commissioners. No later than September 30, the Board of Commissioners submits a tentative budget to the Town board of the Town of North Hempstead for the calendar year of January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the General Fund. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget. Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types. All modifications of the budget must be approved by the Board of Commissioners.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in Governmental Funds. Encumbrances are generally reported as an assignment or restriction of fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Budget Basis of Accounting

The budget for the District's General Fund is adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year and by resolutions of the Board of Commissioners.

**Note 3. Deposits and Investments**

The District's investment policies are governed by State statutes and its own written investment policy. Permissible investments include special time deposit accounts, certificates of deposit, obligations of the United States Treasury and its agencies, New York State and its municipalities and repurchase agreements from an authorized trading partner.

The amount of District deposits and investments on its financial records at December 31, 2023, exclusive of petty cash, was \$4,487,891.

Deposits are protected by the Federal Deposit Insurance Corporation (FDIC) or by eligible collateral pledged by the financial institution in the District's name. Obligations that may be pledged as collateral are obligations of the United States of America, its agencies and obligations of New York State and its municipalities.

The District's deposits and investments are subject to custodial credit risk when a depository financial institution fails, and the District is unable to recover its deposits and investments or recover collateral securities that are in possession of an outside agency.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 3. Deposits and Investments (Continued)**

Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance or collateral and the deposits are:

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

The District's deposits at December 31, 2023, were entirely covered by federal depository insurance or by collateral held by the District's agent, a third-party financial institution in the District's name. The District's deposits are not subject to custodial credit risk or interest rate risk.

**Note 4. Interfund Transactions**

Other financing sources (uses) for the year ending December 31, 2023 were as follows:

<u>Fund Type</u>	<u>Other Financing Sources</u>	<u>Other Financing (Uses)</u>
General fund	\$ -	\$ (1,845,744)
Capital projects	-	-
Debt service	1,845,744	-
Total	<u>\$ 1,845,744</u>	<u>\$ (1,845,744)</u>

Due from and due to other funds consists of the following at December 31, 2023:

<u>Fund Type</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ -	\$ (23,205)
Capital projects	-	(99,615)
Debt service	122,820	-
Total	<u>\$ 122,820</u>	<u>\$ (122,820)</u>

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**Note 5. Change in Capital Assets**

Capital assets transactions for the year ended December 31, 2023 were as follows:

	<u>Beginning balance</u>	<u>Addition / Transfers</u>	<u>Retirements / Transfers</u>	<u>Ending balance</u>
<b>NON-DEPRECIABLE CAPITAL ASSETS</b>				
Land	\$ 3,838,223	\$ -	\$ -	\$ 3,838,223
Construction in progress	25,714	1,176,255	(469,265)	732,704
<b>TOTAL NON-DEPRECIABLE ASSETS</b>	<u>3,863,937</u>	<u>1,176,255</u>	<u>(469,265)</u>	<u>4,570,927</u>
<b>DEPRECIABLE CAPITAL ASSETS</b>				
Buildings	23,678,555	-	-	23,678,555
Improvements other than buildings	5,803,440	-	-	5,803,440
Infrastructure	55,112,764	469,265	-	55,582,029
Vehicles, furniture, machinery and equipment	<u>13,577,467</u>	<u>405,690</u>	<u>(160,565)</u>	<u>13,822,592</u>
<b>TOTAL DEPRECIABLE CAPITAL ASSETS</b>	<u>98,172,226</u>	<u>874,955</u>	<u>(160,565)</u>	<u>98,886,616</u>
<b>LESS: ACCUMULATED DEPRECIATION</b>				
Buildings	(13,030,644)	(168,855)	-	(13,199,499)
Improvements other than buildings	(2,653,919)	(120,569)	-	(2,774,488)
Infrastructure	(31,550,433)	(1,710,198)	-	(33,260,631)
Vehicles, furniture, machinery and equipment	<u>(12,856,372)</u>	<u>(191,816)</u>	<u>124,585</u>	<u>(12,923,603)</u>
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<u>(60,091,368)</u>	<u>\$ (2,191,438)</u>	<u>\$ 124,585</u>	<u>(62,158,221)</u>
Depreciable capital assets, net of accumulated depreciation	<u>38,080,858</u>			<u>36,728,395</u>
<b>TOTAL NET CAPITAL ASSETS</b>	<u>\$ 41,944,795</u>			<u>\$ 41,299,322</u>

For the year ended December 31, 2023, the District-wide Statement of Activities recorded \$2,191,438 of depreciation expense and charged this amount to Home and Community Services-Sewer Operations.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**Note 6. Bond Anticipation Notes Payable**

Liabilities for Bond Anticipation Notes (“BANs”) in the capital projects fund are used to construct various sewer projects. The BANs outstanding are due within one year. The BANs are issued pursuant to the Constitution and Laws of the State including among others, the Town Law and the Local Finance Law. The bond anticipation note activity for the year ended December 31, 2023 are as follows:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Beginning balance</u>	<u>Issued</u>	<u>Reissued/ (Redeemed)</u>	<u>Ending balance</u>
2022 Series C	4.50%	9/22/2022	9/22/2023	\$ 6,285,000	\$ -	\$ (6,285,000)	\$ -
2022 Series C	4.50%	9/22/2022	9/22/2023	835,000	-	(835,000)	-
2022 Series C	4.50%	9/22/2022	9/22/2023	8,700,000	-	(8,700,000)	-
2023 Series A	4.00%	3/23/2023	3/22/2024	1,460,000	-	(15,000)	1,445,000
2023 Series A	4.00%	3/23/2023	3/22/2024	273,000	2,350,000	(3,000)	2,620,000
2023 Series A	4.00%	3/23/2023	3/22/2024	1,747,000	-	-	1,747,000
Totals				19,300,000	2,350,000	(15,838,000)	5,812,000
Premiums on BANs				184,282	-	(184,282)	-
Total Bond Anticipation Notes Payable				<u>\$ 19,484,282</u>	<u>\$ 2,350,000</u>	<u>\$(16,022,282)</u>	<u>\$ 5,812,000</u>

**Note 7. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due in one year</u>
<u>Serial bonds payable:</u>					
Town of North Hempstead					
Serial bonds payable	\$ 528,819	\$ 15,675,000	\$ (128,394)	\$ 16,075,425	\$ 415,231
State bonds and statutory installment bond - EFC	11,181,701	-	(557,900)	10,623,801	562,900
Subtotal	11,710,520	15,675,000	(686,294)	26,699,226	978,131
Postemployment benefits	7,200,761	654,590	(338,873)	7,516,478	-
Net pension liability (asset)	(362,276)	1,534,607	(284,607)	887,724	-
Compensated absences	448,824	-	(25,477)	423,347	-
TOTALS	<u>\$ 18,997,829</u>	<u>\$ 17,864,197</u>	<u>\$ (1,335,251)</u>	<u>\$ 35,526,775</u>	<u>\$ 978,131</u>

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 7. Long-Term Debt (continued)**

Serial Bonds Payable

The District, through the Town of North Hempstead, New York borrows money by issuing Serial Bonds and Capital Notes to acquire land, purchase equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Town and the District, are recorded in the Statement of Net Position. They bear interest rates ranging from 2.0% to 6% and maturing in 2053.

In September 2023, the District converted its Bond Anticipation Notes into public improvement serial bonds through the Town of North Hempstead, New York, totaling \$15,675,000 at an interest of 4%.

Future principal and interest payments to maturity on serial bonds payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 978,131	\$ 719,418	\$ 1,697,549
2025	990,335	706,642	1,696,977
2026	1,020,292	683,963	1,704,255
2027	900,324	662,173	1,562,497
2028	922,333	641,063	1,563,396
2029-2033	4,965,814	2,858,213	7,824,027
2034-2038	5,649,898	2,191,066	7,840,964
2039-2043	3,676,888	1,745,954	5,422,842
2044-2048	3,430,949	1,209,931	4,640,880
2049-2053	4,164,262	494,625	4,658,887
<b>TOTALS</b>	<b>\$ 26,699,226</b>	<b>\$ 11,913,048</b>	<b>\$ 38,612,274</b>

Other long-term liabilities

Postemployment Benefits – In addition to providing benefits, the District provides postemployment health insurance coverage for retired employees. Additional information can be found subsequently in these notes.

Net Pension Liability - Proportionate Share – the District has adopted new accounting guidance that requires it to report as an asset and/or liability its portion of the collective net pension asset and/or liability in the New York State Employees Retirement System. Additional information can be found subsequently in these notes.

Compensated absences - the District provides vacation and sick time benefits for its regular employees. The employees are permitted to accumulate unused vacation days up to a maximum number (20) and sick days up to a maximum number (165) with percentage restrictions for certain employees hired after August 31, 1994.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 8. Pension Plan**

**General Information About the Pension Plan**

**Plan Description & Benefits Provided**

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL).

Once a public employer elects to participate in the System, 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 System 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 at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements](http://www.osc.state.ny.us/retire/about_us/financial_statements) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Benefits Provided**

The System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

*Tiers 1 and 2 (Continued)*

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits.

Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 8. Pension Plan (Continued)**

*Tiers 3, 4 and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

**Ordinary Disability Benefits**

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

**Accidental Disability Benefits**

For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years of service eligibility requirement dropped.

**Ordinary Death Benefits**

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
 (A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

---

**Note 8. Pension Plan (Continued)**

**Post-Retirement Benefit Increases**

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

**Contributions**

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The contribution paid during the current year was equal to 100 percent of the required payment. The contractually required contribution for the year ended December 31, 2023 was \$178,420.

**Pension Assets and Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At December 31, 2023, the District reported a liability of \$887,724 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System to the District.

	<u>ERS</u>
Actuarial valuation date	April 1, 2022
Net pension liability	\$ 887,724
District's portion of the plan's net pension asset	0.0041397%



**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 8. Pension Plan (Continued)**

For the year ended December 31, 2023 the District recognized pension expense of \$344,268. At December 31, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 94,550	\$ 24,931
Changes in assumptions	431,136	4,765
Net difference between projected and actual investment earnings on pension plan investments	-	5,215
Changes in proportion and differences between employer contributions and proportionate share of contributions	89,909	17,889
Employer contributions subsequent to the measurement date	<u>144,227</u>	<u>-</u>
Total	<u>\$ 759,822</u>	<u>\$ 52,800</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>ERS</u>
2024	\$ 144,564
2025	(26,538)
20261	198,005
2027	246,764
2028	-
Thereafter	<u>-</u>
	<u>\$ 562,795</u>

**Actuarial Assumptions**

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>
Inflation rate	2.9%
Salary scale	4.4%
Investment rate of return	5.9%
Cost of living adjustments	1.5%
Decrement tables	April 1, 2015-March 31, 2020 System's Experience

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 8. Pension Plan (Continued)**

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale of MP-2020. The previous actuarial valuation as of April 1, 2021 used the Society of Actuaries’ Scale of MP-2020.

The actuarial assumptions used in the April 1, 2022 valuation are 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 returns net of investment expense 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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Bonds and mortgages	23.00%	1.50%
Cash	1.00%	0.00%
	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

**Discount Rate**

The discount rate used to measure the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System’s 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 Liability to the Discount Rate Assumption**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9 percent) and 1 percentage point higher (6.9 percent) than the current rate:

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 8. Pension Plan (Continued)**

	<u>1% Decrease (4.9%)</u>	<u>Current Assumptions (5.9%)</u>	<u>1% Increase (6.9%)</u>
Districts's proportionate share of the net pension liability (asset)	<u>\$ 2,145,248</u>	<u>\$ 887,724</u>	<u>\$ (163,084)</u>

The components of the current-year net pension liability of the employers as of March 31, 2023, were as follows:

	<u>Employees' Retirement System</u>
	<i>(Dollars in Thousands)</i>
Employers' total pension liability	\$ (232,627,259)
Plan net position	<u>211,183,223</u>
Employers' net pension assets/(liability)	<u>\$ (21,444,036)</u>
Ratio of plan net position to the employers' total pension liability	90.78%

**Note 9. Other Postemployment Benefits – (OPEB)**

**Plan Description**

The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**Benefits Provided**

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District's offices and are available upon request.

**Employees Covered by Benefit Terms**

At December 31, 2023, the following employees were covered by the benefit terms:

Active plan members	17
Inactive plan members or beneficiaries currently receiving benefits	<u>22</u>
Total	<u>39</u>

**Total OPEB Liability and Actuarial Assumptions**

The District's total OPEB liability of \$7,516,478 was measured as of December 31, 2023, and was determined by an actuarial valuation report. Calculation of the total OPEB liability was performed using the entry age normal, as a level percentage of salary actuarial cost method. The following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 9. Other Postemployment Benefits – (OPEB) (Continued)**

Discount Rate:	3.80%
Projected Salary Increases:	2.50%
Healthcare Cost Trend Rates:	5.7 - 8.5% in the first year gradually decreasing per year, to an ultimate rate of 4.5%

The discount rate was based on the 20 Year AA Municipal General Obligation Bond Rate Index.

Mortality rates are in accordance with the SOA RP-2014 Total Dataset. Mortality improvements are projected using SOA Scale MP-2014.

**Changes in the Total OPEB Liability**

Balance as of January 1, 2023	<u>\$ 7,200,761</u>
Service cost	180,455
Interest	281,253
Differences between expected and actual experience	-
Changes of assumptions or other inputs	192,882
Benefit payments	<u>(338,873)</u>
Net changes	315,717
Balances as of December 31, 2023	<u><u>\$ 7,516,478</u></u>

**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 percent lower (2.8 percent) or 1 percent higher (4.8 percent) than the current discount rate:

	<u>1% Decrease (2.8%)</u>	<u>Current Assumptions (3.8%)</u>	<u>1% Increase (4.8%)</u>
Total Net OPEB Liability	<u>\$ 8,618,215</u>	<u>\$ 7,516,478</u>	<u>\$ 6,628,453</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend**

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 percent lower or 1 percent higher than the baseline rates (year one) discussed in the earlier table:

	<u>1% Decrease</u>	<u>Assumptions</u>	<u>1% Increase</u>
Total Net OPEB Liability	<u>\$ 6,475,523</u>	<u>\$ 7,516,478</u>	<u>\$ 8,824,200</u>

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**Note 9. Other Postemployment Benefits – (OPEB) (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The total OPEB expense for the year ended December 31, 2023 was \$933,484. At December 31, 2023, the District reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,639	\$ 872,371
Changes in assumptions	<u>578,018</u>	<u>1,314,867</u>
Total	<u>\$ 614,657</u>	<u>\$ 2,187,238</u>

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

<u>Year Ending December 31,</u>	
2024	\$ (1,726,514)
2025	153,933
2026	-
2027	-
2028	-
Thereafter	<u>-</u>
	<u>\$ (1,572,581)</u>

**Note 10. Risk Management**

The District is exposed to various risks of loss related to torts; theft, damages to, and distribution of assets; errors and omissions; trip and fall injuries; and natural disasters, all of which are insured by general liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**Note 11. Commitments and Contingencies**

**Federal and State Grants**

The District is a recipient of various Federal and State grants. These grants are administered by various agencies. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could result in certain disallowances. The Board believes that they have substantially complied with the rules and regulations as specified under the various grant agreements as well as the rules and regulations of the respective agency for each grant.

**Litigation**

There are no impending liabilities, direct claims or contingent liabilities which might materially affect the District's financial position, nor are there any other claims or litigation which are not adequately covered by insurance.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 11. Commitments and Contingencies (Continued)**

**Commitments on long-term maintenance and capital improvements**

The District is committed to the long-term maintenance of the wastewater system and plans capital improvements on a regular basis. The District is currently committed on contracts or is planning additional improvements amounting to approximately \$28,300,000 within the next one to two years.

**Note 12. Deficit Fund Balance**

As of December 31, 2023, the Capital Projects fund balance has a temporary deficit of \$2,064,455, resulting from short-term borrowing of BANs. The District will recognize an increase in the fund balance once the BANs are replaced by permanent financing (bond issuance) or the BAN principal is reduced by payment of the obligation.

**Note 13. Subsequent Events**

The District has evaluated events and transactions that occurred through May 29, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

On March 21, 2024, the Town of North Hempstead renewed the District’s \$5,812,000 Series A Bond Anticipation Notes, paying down \$34,000 in principal. Additionally, new Bond Anticipation Notes totaling \$3,400,000 were issued with an interest rate of 4.00% and maturing on March 20, 2025.

On February 26, 2024, the New York State Department of Environmental Conservation awarded a \$5,856,000 grant for the rehabilitation of the gravity sewer system project.

**Note 14. Future Accounting Standards**

<u>GASB Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Effective for Reporting Periods Beginning after</u>
Statement No. 97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement 32</i>	June 15, 2023
Statement No. 99	<i>Omnibus 2022</i>	June 15, 2023
Statement No. 100	<i>Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62</i>	June 15, 2023
Statement No. 101	<i>Compensated Absences</i>	June 15, 2023

The District is currently evaluating the impact of these statements on the financial statements, and will implement them as applicable and when material.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Unaudited)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BUDGETED		ACTUAL	VARIANCE
	ADOPTED	ADJUSTED		FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>				
Real property taxes	\$ 6,781,510	\$ 6,782,579	\$ 6,782,579	\$ -
Charges for services	1,225,000	1,250,253	1,250,253	-
Interest earnings	7,000	158,342	158,342	-
Miscellaneous	-	4,112	4,112	-
Federal aid	-	-	-	-
<b>TOTAL REVENUES</b>	<b>8,013,510</b>	<b>8,195,286</b>	<b>8,195,286</b>	<b>-</b>
<b>OTHER FINANCING SOURCES:</b>				
Issuance premium	231,288	60,775	60,775	-
Appropriated fund balance	225,000	(316,590)	-	316,590
<b>TOTAL REVENUES</b>	<b>456,288</b>	<b>(255,815)</b>	<b>60,775</b>	<b>316,590</b>
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<b>\$ 8,469,798</b>	<b>\$ 7,939,471</b>	<b>\$ 8,256,061</b>	<b>\$ 316,590</b>
<b>EXPENDITURES:</b>				
Sewer administration	\$ 553,305	\$ 593,918	\$ 593,918	\$ -
Sanitary sewers	1,923,505	1,884,765	1,884,765	-
Sewage treatment and disposal	2,502,385	2,101,169	2,101,169	-
Employee benefits	1,639,345	1,513,875	1,513,875	-
<b>TOTAL EXPENDITURES</b>	<b>6,618,540</b>	<b>6,093,727</b>	<b>6,093,727</b>	<b>-</b>
<b>OTHER FINANCING USES:</b>				
Transfers out	1,851,258	1,845,744	1,845,744	-
<b>TOTAL OTHER FINANCING USES</b>	<b>1,851,258</b>	<b>1,845,744</b>	<b>1,845,744</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>\$ 8,469,798</b>	<b>\$ 7,939,471</b>	<b>\$ 7,939,471</b>	<b>\$ -</b>

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS (Unaudited)  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 180,455	\$ 321,801	\$ 497,402	\$ 382,376	\$ 277,663	\$ 298,608
Interest	281,253	231,633	240,397	296,759	334,027	311,203
Differences between expected and actual experience	-	(2,482,111)	-	183,199	-	-
Changes of assumptions or other inputs	192,882	(3,554,958)	448,199	476,350	1,656,592	(595,121)
Benefit payments	(338,873)	(368,168)	(306,603)	(313,195)	(296,727)	(268,963)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	<u>315,717</u>	<u>(5,851,803)</u>	<u>879,395</u>	<u>1,025,489</u>	<u>1,971,555</u>	<u>(254,273)</u>
<b>TOTAL OPEB LIABILITY - BEGINNING</b>	<u>7,200,761</u>	<u>13,052,564</u>	<u>12,173,169</u>	<u>11,147,680</u>	<u>9,176,125</u>	<u>9,430,398</u>
<b>TOTAL OPEB LIABILITY - ENDING (a)</b>	<u>\$ 7,516,478</u>	<u>\$ 7,200,761</u>	<u>\$ 13,052,564</u>	<u>\$ 12,173,169</u>	<u>\$ 11,147,680</u>	<u>\$ 9,176,125</u>
<b>PLAN FIDUCIARY NET POSITION (b)</b>	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A
<b>DISTRICT'S NET OPEB LIABILITY - ENDING (a) - (b)</b>	\$ 7,516,478	\$ 7,200,761	\$ 13,052,564	\$ 12,173,169	\$ 11,147,680	\$ 9,176,125
Plans fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered-employee payroll	\$ 1,192,666	\$ 1,192,666	\$ 1,217,163	\$ 1,217,163	\$ 1,450,808	\$ 1,083,469
District's net OPEB liability as a percentage of covered-employee payroll	630.2%	603.8%	1072.4%	1000.1%	768.4%	846.9%
Discount rate	3.8%	4.0%	1.8%	2.0%	2.7%	3.7%

\*N/A - Current regulations do not permit the District to fund the OPEB obligation, it is a "pay-as-you-go" and no assets accumulate.

**Notes to Required Supplementary Information:**

*Changes of Assumptions:*

None

*Plan Assets:*

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

*The schedule is intended to show information for 10 years. Additional years will be displayed as they become available*



**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (Unaudited)  
FOR THE YEARS ENDED DECEMBER 31,**

<b>NYSLRS Pension Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's proportion of the net pension liability	0.0041397%	0.0044317%	0.0042287%	0.0043474%	0.0041982%	0.0044748%	0.0045404%	0.0042339%	0.0043391%	0.0043391%
District's proportionate share of the net pension (asset) / liability	\$ 887,724	\$ (362,276)	\$ 4,211	\$ 1,151,223	\$ 297,456	\$ 144,422	\$ 426,622	\$ 679,559	\$ 146,586	\$ 196,079
District's covered-employee payroll	\$ 1,548,316	\$ 1,608,828	\$ 1,536,436	\$ 1,473,749	\$ 1,435,675	\$ 1,418,391	\$ 1,386,626	\$ 1,344,597	\$ 1,277,586	\$ 1,431,870
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	57.33%	-22.52%	0.27%	78.12%	20.72%	10.18%	30.77%	50.54%	11.47%	13.69%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	92.27%	98.24%	94.70%	90.70%	97.90%	97.20%

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS (Unaudited)  
FOR THE YEARS ENDED DECEMBER 31,**

<b>NYSLRS Pension Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 178,420	\$ 238,941	\$ 230,475	\$ 205,076	\$ 199,472	\$ 205,056	\$ 203,115	\$ 148,946	\$ 174,308	\$ 245,611
Contributions in relation to the contractually required contribution	178,420	238,941	230,475	205,076	199,472	205,056	203,115	148,946	174,308	245,611
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,548,316	\$ 1,608,828	\$ 1,536,436	\$ 1,473,749	\$ 1,435,675	\$ 1,418,391	\$ 1,386,626	\$ 1,344,597	\$ 1,277,586	\$ 1,431,870
Contributions as a percentage of covered-employee payroll	11.52%	14.85%	15.00%	13.92%	13.89%	14.46%	14.65%	11.08%	13.64%	17.15%

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>SEWER ADMINISTRATION</b>	<b>BUDGETED</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>
	<b>ADOPTED</b>	<b>ADJUSTED</b>		
<b>Personal services:</b>				
Personal services	\$ 277,500	\$ 246,229	\$ 246,229	\$ -
Commissioners fees	31,200	28,000	28,000	-
	<u>308,700</u>	<u>274,229</u>	<u>274,229</u>	<u>-</u>
<b>Capital outlay</b>	<u>10,500</u>	<u>23,450</u>	<u>23,450</u>	<u>-</u>
<b>Contractual expenditures:</b>				
Postage	1,000	5,546	5,546	-
Office, supplies and expenses	6,300	5,420	5,420	-
Telephone and communications	5,000	6,277	6,277	-
Light and power	1,800	1,610	1,610	-
Assessment rolls	4,650	4,500	4,500	-
Legal notices	1,000	2,563	2,563	-
Conferences, meetings, etc.	2,440	1,951	1,951	-
Election expense	3,000	4,182	4,182	-
Engineering	5,000	31,704	31,704	-
Auditing	35,500	28,576	28,576	-
Custodial	5,880	3,661	3,661	-
Legal	67,750	67,789	67,789	-
Other professional services	80,000	120,237	120,237	-
Gas, oil, etc.	1,000	671	671	-
<b>Repairs &amp; maintenance:</b>				
Alarm systems	3,785	2,155	2,155	-
Operating equipment	-	-	-	-
Plant and grounds	10,000	9,397	9,397	-
	<u>234,105</u>	<u>296,239</u>	<u>296,239</u>	<u>-</u>
<b>TOTAL SEWER ADMINISTRATION</b>	<u>\$ 553,305</u>	<u>\$ 593,918</u>	<u>\$ 593,918</u>	<u>\$ -</u>

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

SANITARY SEWER	BUDGETED		ACTUAL	ENCUMBRANCES
	ADOPTED	ADJUSTED		
<b>Personal services</b>	\$ 888,845	\$ 743,151	\$ 743,151	\$ -
<b>Capital outlay</b>	351,100	360,342	360,342	-
<b>Contractual expenditures:</b>				
Telephone & communications	16,400	13,564	13,564	-
Light and power	210,000	159,152	159,152	-
Water	12,000	18,035	18,035	-
Heating	29,200	15,995	15,995	-
Equipment rental	-	27,000	27,000	-
Conferences, meetings, etc.	11,600	10,235	10,235	-
Engineering	27,400	42,913	42,913	-
Custodial	1,260	1,830	1,830	-
Medical	3,500	2,869	2,869	-
Uniforms and laundry	6,200	6,415	6,415	-
Gas, oil, etc.	22,500	16,271	16,271	-
Chemicals, testing & chlorine	12,000	11,608	11,608	-
Service and grease traps	-	45,259	45,259	-
Tools, parts & supplies:				
Trunk lines & laterals	25,000	17,809	17,809	-
Repairs & maintenance:				
Alarm systems	16,500	26,491	26,491	-
Operating equipment	40,000	16,062	16,062	-
Plant and grounds	250,000	349,764	349,764	-
	683,560	781,272	781,272	-
<b>TOTAL SANITARY SEWER</b>	\$ 1,923,505	\$ 1,884,765	\$ 1,884,765	\$ -

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>SEWER TREATMENT AND DISPOSAL</b>	<b>BUDGETED</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>
	<b>ADOPTED</b>	<b>ADJUSTED</b>		
<b>Personal services</b>	\$ 717,350	\$ 556,698	\$ 556,698	\$ -
<b>Capital outlay</b>	41,140	85,580	85,580	-
<b>Contractual expenditures:</b>				
Telephone and communications	3,200	2,185	2,185	-
Light and power	375,000	347,605	347,605	-
Water	55,000	31,996	31,996	-
Heating	26,400	18,944	18,944	-
Equipment - Rental	-	1,371	1,371	-
Conferences, meetings, etc.	10,950	14,356	14,356	-
Engineering	131,100	191,492	191,492	-
Custodial	1,260	3,661	3,661	-
Legal	-	-	-	-
Medical	2,600	586	586	-
Uniforms and laundry	2,200	2,125	2,125	-
Gas, Oil, etc.	2,000	1,830	1,830	-
Chemicals, testing & chlorine:				
Analysis	60,000	56,609	56,609	-
Chemicals and chlorine	70,000	38,076	38,076	-
Repairs & maintenance:				
Alarm systems	3,185	729	729	-
Operating equipment	1,000	-	-	-
Plant and grounds	80,000	79,934	79,934	-
Treatment and disposal of:				
Sewage & Sludge	910,000	656,862	656,862	-
Permit fees	10,000	10,530	10,530	-
	<u>1,743,895</u>	<u>1,458,891</u>	<u>1,458,891</u>	<u>-</u>
<b>TOTAL SEWER TREATMENT AND DISPOSAL</b>	<b>\$ 2,502,385</b>	<b>\$ 2,101,169</b>	<b>\$ 2,101,169</b>	<b>\$ -</b>

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>EMPLOYEE BENEFITS</b>	<b>BUDGETED</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>
	<b>ADOPTED</b>	<b>ADJUSTED</b>		
State retirement	\$ 220,000	\$ 187,803	\$ 187,803	\$ -
Social security and medicare	145,000	115,046	115,046	-
Workers' compensation	46,345	44,277	44,277	-
Hospital and medical insurance	900,000	850,804	850,804	-
Unemployment insurance	-	4,613	4,613	-
Metro commuter transportation tax	6,000	3,586	3,586	-
Unallocated insurance	322,000	307,746	307,746	-
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>1,639,345</b>	<b>1,513,875</b>	<b>1,513,875</b>	<b>-</b>
<b>TRANSFERS:</b>				
Debt Service Fund	1,851,258	1,845,744	1,845,744	-
	1,851,258	1,845,744	1,845,744	-
<b>TOTAL</b>	<b>\$ 8,469,798</b>	<b>\$ 7,939,471</b>	<b>\$ 7,939,471</b>	<b>\$ -</b>

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUND - BY PROJECT (Unaudited)  
DECEMBER 31, 2023**

	Collection System Improvements	Biosolids Dewatering System & WWTP Improvements	Pump Station R Improvements	PSP Mechanical Bar Screen System	Collection System GIS	PS A.P.R. Improv & CIPP Lining	TOTAL	
							2023	2022
<b>ASSETS:</b>								
Cash	\$ 121,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,394	\$ 8,945
Accounts receivable - other	29	-	-	-	-	-	29	18
Due from Town of North Hempstead	7,670	490,269	879,432	61,808	6,812	2,429,994	3,875,985	4,116,231
<b>TOTAL ASSETS</b>	<b>\$ 129,093</b>	<b>\$ 490,269</b>	<b>\$ 879,432</b>	<b>\$ 61,808</b>	<b>\$ 6,812</b>	<b>\$ 2,429,994</b>	<b>\$ 3,997,408</b>	<b>\$ 4,125,194</b>
<b>LIABILITIES:</b>								
Accounts payable and accrued expenses	\$ -	\$ 202	\$ -	\$ -	\$ -	\$ 149,174	\$ 149,376	\$ 1,488,848
Due to other funds	120,451	-	(5,556)	(15,280)	-	-	99,615	18,608
Due to other governments	872	-	-	-	-	-	872	-
Bond anticipation notes payable	-	3,192,000	-	70,000	-	2,550,000	5,812,000	19,300,000
<b>TOTAL LIABILITIES</b>	<b>121,323</b>	<b>3,192,202</b>	<b>(5,556)</b>	<b>54,720</b>	<b>-</b>	<b>2,699,174</b>	<b>6,061,863</b>	<b>20,807,456</b>
<b>FUND BALANCE:</b>								
Restricted	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	7,770	(2,701,933)	884,988	7,088	6,812	(269,180)	(2,064,455)	(16,682,262)
<b>TOTAL FUND BALANCE</b>	<b>7,770</b>	<b>(2,701,933)</b>	<b>884,988</b>	<b>7,088</b>	<b>6,812</b>	<b>(269,180)</b>	<b>(2,064,455)</b>	<b>(16,682,262)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 129,093</b>	<b>\$ 490,269</b>	<b>\$ 879,432</b>	<b>\$ 61,808</b>	<b>\$ 6,812</b>	<b>\$ 2,429,994</b>	<b>\$ 3,997,408</b>	<b>\$ 4,125,194</b>

See independent auditors' report.

**PORT WASHINGTON WATER POLLUTION CONTROL DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF NORTH HEMPSTEAD, NEW YORK)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUND - BY PROJECT (Unaudited)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Collection System Improvements	Biosolids Dewatering System & WWTP Improvements	Pump Station R Improvements	PSP Mechanical Bar Screen System	Collection System GIS	PS A.P.R. Improv & CIPP Lining	TOTAL	
							2023	2022
<b>REVENUES:</b>								
Interest earnings	\$ 882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 882	\$ 48
TOTAL REVENUES	882	-	-	-	-	-	882	48
<b>EXPENDITURES:</b>								
Contractual	-	463,702	469,264	-	-	243,289	1,176,255	8,541,814
Debt service charge	872	19,815	20,015	3,583	535	-	44,820	2,275
TOTAL EXPENDITURES	872	483,517	489,279	3,583	535	243,289	1,221,075	8,544,089
(Deficiency) of Revenues Over (Under) Expenditures	10	(483,517)	(489,279)	(3,583)	(535)	(243,289)	(1,220,193)	(8,544,041)
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating transfers in (out)	-	-	-	-	-	-	-	-
Issuance premium	2,980	67,710	68,391	7,828	1,829	-	148,738	-
Proceeds from sale of bonds	311,067	7,068,030	7,139,155	817,172	190,838	-	15,526,262	-
BANs redeemed from appropriations	3,260	92,914	51,826	13,000	2,000	-	163,000	79,000
TOTAL OTHER FINANCING SOURCES (USES)	317,307	7,228,654	7,259,372	838,000	194,667	-	15,838,000	79,000
NET CHANGE IN FUND BALANCE	317,317	6,745,137	6,770,093	834,417	194,132	(243,289)	14,617,807	(8,465,041)
FUND BALANCE - BEGINNING	(309,547)	(9,447,070)	(5,885,105)	(827,329)	(187,320)	(25,891)	(16,682,262)	(8,217,221)
FUND BALANCE - ENDING	\$ 7,770	\$ (2,701,933)	\$ 884,988	\$ 7,088	\$ 6,812	\$ (269,180)	\$ (2,064,455)	\$ (16,682,262)

See independent auditors' report.





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Board of Commissioners of the  
Port Washington Water Pollution Control District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Port Washington Water Pollution Control District (the "District"), a component unit of the Town of North Hempstead, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District basic financial statements, and have issued our report thereon dated May 29, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Satty, Levine & Ciacco CPAs PC*

Satty, Levine & Ciacco, CPAs, P.C.

Melville, New York

May 29, 2024