CLIFTON PARK WATER AUTHORITY

BOARD MEETING NOTICE

TUESDAY, MARCH 19, 2024

7:00PM

661 CLIFTON PARK CENTER ROAD

CLIFTON PARK, NY 12065

CLIFTON PARK WATER AUTHORITY
BOARD MEETING

Tuesday, March 19, 2024
7:00 PM

AGENDA

- Approve Minutes of February 20, 2024 Meeting

Privilege of the Floor

Old Business

- Peacock Glen Property
- Project to Increase Capacity from SCWA - Final Payment Request

New Business

- 2023 Financial Audit Presentation
- Summer Help Wage Discussion
- Lead Service Line inventory

Other Business

CLIFTON PARK WATER AUTHORITY

BOARD MEETING MINUTES

MARCH 19, 2024

Those present were: Mr. Helmut Gerstenberger, Chairman; Mr. John Ryan, Vice Chairman; Mr. William Butler, Treasurer; Mr. Peter Taubkin, Secretary; Ms. Julia Haig, Board Member; Mr. Chris Wheland, Administrator; Mr. Ronald Marshall, Superintendent; Mr. James Trainor, Attorney; and Mr. Brock Juusola of Delaware Engineering.

Mr. Gerstenberger called the meeting to order at 7:00pm.

APPROVE THE MINUTES OF FEBRUARY 20, 2024 MEETING

Mr. Butler made a **motion** to approve the minutes of the February 20, 2024 board meeting; seconded by Mr. Gerstenberger. The **motion** carried 5-0.

PRIVILEGE OF THE FLOOR

No members of the public in attendance.

OLD BUSINESS

PEACOCK GLEN PROPERTY

No update to report. Mr. Wheland and Mr. Marshall have discussed the future repairs needed at the Lapp Road shop. Looking ahead, 5-10 years down the road, the Lapp Road shop will be in need of some major work. He is looking for a piece of property with some acreage more centralized in the water district. The Lapp Road shop is in the middle of a development. Residents in that development occasionally complain about the noise and traffic created by the CPWA vehicles. Mr. Wheland is talking to John Scavo from the Town of Clifton Park to see if the Town owns a property that may be more appropriate to the CPWA as a shop area and do a possible trade of properties.

PROJECT TO INCREASE CAPACITY FROM SCWA – FINAL PAYMENT REQUEST

Mr. Gerstenberger and Mr. Wheland met with Chad Kortz from CT Male Associates to resolve the matter regarding the additional cost of $8.975.00 for the reprogramming of the meter for proper operation. Mr. Kortz came to tonight's meeting and apologized for the lengthy delay in submitting the final application for payment. He wanted to set the record straight that the way the station is currently being run was the original design. When he and Mr. Austin were doing startup with the contractor the meter representatives suggested a flow paced meter set up. Unfortunately, because of the meter issues it never operated correctly. In his opinion, Badger Meter should have been responsible for the cost of reprogramming the meter. CT Male Associates and WM. J. Keller & Sons Construction agreed to split the cost three ways with the

CPWA. The Board appreciated him coming to the meeting and agreed to the three-way split for purposes of closing out this project but are unhappy with the way it was handled. Payment application number 8 is complete. The total amount due is $76,423.75. A **motion** was made by Mr. Gerstenberger approving Payment Application number 8 in the amount of $76,423.75 to Wm. J. Keller & Sons Construction Corp; seconded by Mr. Ryan. The **motion** carried 5-0.

NEW BUSINESS

2023 FINANCIAL AUDIT PRESENTATION

Heather Lewis of MMB+CO presented the Board with the draft financial and audit reports for the fiscal year ended December 31, 2023.

A **motion** was made by Mr. Ryan to accept the 2023 Financial Statements as presented; seconded by Ms. Haig. The **motion** carried 5-0.

SUMMER HELP WAGE DISCUSSION

Mr. Wheland stated we have one returning summer help employee from last year. He is interviewing another applicant tomorrow. Our current hourly rate is $16.00/hour. The Town of Clifton Park pays $17.00/hour to their summer help. The Board agreed to match the $17.00/hour rate for summer help.

LEAD SERVICE LINE INVENTORY

Mr. Juusola stated that the EPA is requiring an inventory of the water system to identify any lead services. The first submission is due in October. The EPA is asking that a data base be created that identifies the pipe materials between the main and the curb stop and the material between the curb stop and the house. Even though he doesn't believe there are any lead services in the system an inventory still has to be done. GIS mapping will be done that will show when the houses were built.

OTHER BUSINESS

- Mr. Gerstenberger asked for an update on the installation of anodes. Mr. Marshall reported that there is one section on Riverview Road that they still need to install anodes on. This section will require flaggers. He has approximately 50 anodes in stock. He noted that when there are water main breaks, anodes are installed if needed.
- Mr. Wheland met with KeyBank to discuss interest rates. KeyBank charges service fees for their services. Balances available are used to calculate an Earnings Credit Allowance. Based on the average daily balance available a balance needed to support their services is generated. A surplus fully covers service charges and a deficiency triggers a service charge. At the current interest rates, shifting the money to earn more interest may trigger bank service charges but the interest rate return will outweigh the bank service charges.
- Mr. Trainor reported no updates on the pending litigation regarding the DCG Development project.
- Mr. Wheland met with Joe Rekucki last week to discuss the Synergy project, building #14 is complete and they are looking for a water meter. This building put them over the square footage limit Mr. Austin allowed. He made it clear to him that no further building will be allowed until the secondary water connection is complete.

- Mr. Wheland reported the replacement of filter media at the Boyack WTP is almost complete. They found more pipes that have rotted and will need to be repaired. They are noticing longer run times and better flows through the filters that have been replaced.
- The Board discussed the annual lawn watering restrictions. Notification of the annual lawn watering restrictions are mailed with the quarterly bills, signs are posted at development entrances, restrictions are posted on the cpwa.org website and social media sites. Customers found violating the odd/even days based on house number will be given a warning and will be fined $100 per incident for any subsequent violations.
- Mr. Wheland would like to add language on the agenda that grants privilege of the floor to the speaker for a single time frame of five minutes for agenda items at the beginning of the meeting and for CPWA related items not on the agenda at the end of the meeting.

The CPWA's next board meeting is scheduled for Tuesday, April 30, 2024 at 7pm.

A **motion** was made by Mr. Gerstenberger to adjourn the meeting at 8:22pm; seconded by Mr. Ryan. The **motion** carried 5-0.

Respectfully submitted,
Sheri Collins
Recording Secretary

cc: CPWA Board of Directors
Trainor, Pezzullo, & DeSanto LLC

CLIFTON PARK WATER AUTHORITY
AND SUBSIDIARY
FINANCIAL REPORT
DECEMBER 31, 2023

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Clifton Park Water Authority and Subsidiary

Opinion

We have audited the consolidated financial statements of Clifton Park Water Authority and Subsidiary (the Authority) as of and for the years ended December 31, 2023 and 2022, and the related notes to the consolidated financial statements, which collectively comprise the Authority's basic consolidated financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and 2022, and the respective changes in financial position, and where applicable cash flows thereof for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 Clifton Park Water Authority and Subsidiary, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 GAAS standards and GAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Clifton Park Water Authority and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clifton Park Water Authority and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10, schedule of proportionate share of the net pension liability (asset), the schedule of Authority contributions, and the schedule of changes in total OPEB liability on pages 43-45 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated 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 consolidated 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 consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated ________, 2024, on our consideration of Clifton Park Water Authority and Subsidiary'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 Clifton Park Water Authority and Subsidiary'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 Clifton Park Water Authority and Subsidiary's internal control over financial reporting and compliance.

Latham, NY
_________, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Clifton Park Water Authority (CPWA) and Subsidiary (collectively, Authority) is pleased to present to the reader of the Authority's consolidated financial statements, this narrative discussion, overview and analysis of the financial activities of the Authority for the year ended December 31, 2023. The consolidated financial statements reflect the assets, liabilities, net position, results of operations, and cash flows of the Clifton Park Water Authority and its subsidiary, Country Knolls Water Works, Inc. All significant intercompany accounts and transactions are eliminated in consolidation. We encourage readers to consider the information on pages 4 to 10 in conjunction with the Authority's consolidated financial statements (presented on pages 11 to 42 to enhance their understanding of the Authority's financial performance).

CPWA PROFILE

CPWA was created during 1990 as a public benefit corporation under New York State Public Authorities Law, Title 6-B of Article 5. The enabling legislation provided the Authority with power to acquire, construct, operate, and maintain public water supply and distribution facilities for the benefit of the residents of Clifton Park and Malta. CPWA provides potable drinking water to 13,817 service connections (approximately 35,000 people), through a system comprised of 8 wells on 6 different sites, 5.5 million gallons of storage capacity, several pump stations, and 180 miles of water main.

CPWA is governed by a Board of five members who are residents of the Town of Clifton Park (Town) and are appointed by the Town Board for staggered five-year terms. The CPWA Chairman is appointed on an annual basis by the Town Supervisor.

CPWA began operations in February 1992 with the acquisition of the Crescent Estates Water Company. Since that initial purchase, CPWA acquired Saratoga Water Co., Calico/Woodland Hills Water System, and Country Knolls Water Works, Inc. later in 1992, Park Lane Estates Water Works Co., Inc. in August 1993, and finally, Peacock Water Co. in 2004.

In April of 2006, CPWA entered into an operations and maintenance contract with the Rexford Water District. The system consists of 520 customers.

In 2008, CPWA entered into an operations and maintenance contract with the Shenendehowa Central School District and assumed operation of the school campus water system. At that time, the School District became a permanent customer of the CPWA.

In 2010, the Clifton Park Water Authority began purchasing water from the Saratoga County Water Authority. The CPWA is obligated to purchase a minimum of 1,000,000 gallons per day.

Country Knolls Water Works owns a water system that CPWA uses in its operations. Country Knolls Water Works is a not-for-profit local development corporation organized under the New York Not-For-Profit Corporation Law. CPWA is the sole shareholder of Country Knolls Water Works, Inc.

In order to finance the original purchases of the private water systems and rehabilitate them, CPWA issued bonds in 1993 in the amount of $25,605,000. In 1999, CPWA issued bonds in the amount of $8,915,000 to finance additional system upgrades including new wells, treatment, and storage. In 2003, CPWA refinanced the 1993 Bonds, taking advantage of the lower interest rates available to reduce their annual bond payments by approximately $60,000. In 2009, CPWA refinanced the 1999 Bonds, reducing their annual bond payments by approximately $40,000. At that same time, the Authority was required to create a debt service reserve fund (DSRF) for the 2003 Bonds, due to a credit rating decline of the insurance company providing the surety policy for the bond issue. The amount bonded to fund the DSRF was $130,000, and increased the CPWA's annual bond payments by approximately $30,000. In 2013, the CPWA refinanced the 2003 Bonds, saving the Authority over $140,000 annually. In 2016, the Authority did an advanced refunding of the 2009 Bonds, again taking advantage of lower interest rates, resulting in an annual average savings of roughly $35,000. More detailed information about CPWA's long-term obligations is presented in the notes to the financial statements on pages 22 through 24.

CPWA collects most of its revenues from fees and metered water sales. CPWA does not have the power to levy taxes. CPWA currently produces the majority of the water that is sold to its customers, with the exception of the water purchased from the Saratoga County Water Authority which, in 2023, totaled 397,513,983 gallons. Since the Town of Clifton Park is mostly residential, the annual metered water sales are very dependent on the weather during the summer months, as weather determines the need for lawn irrigation. As a result, excessive rainfall results in decreased revenues from water sales.

CPWA has a two-tiered water rate structure, with a quarterly basic service charge added to all bills. In 2023 the basic service charge was $17.25, and the water rate was as follows:

0-60,000 gallons	$4.35/1,000 gallons
60,000+ gallons	$8.06/1,000 gallons

This water rate has been in effect since January 2023.

RESPONSIBILITY AND CONTROLS

CPWA has prepared, and is responsible for, the consolidated financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

CPWA's system of internal accounting controls is evaluated on an ongoing basis by CPWA's internal financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the consolidated financial statements.

CPWA has a three-member Audit Committee. This committee meets with management and periodically with the independent external auditors to ensure these groups are fulfilling their obligations and to discuss auditing, controls, and financial reporting matters.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Authority's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

AUDIT ASSURANCE

The unmodified opinion of our independent external auditors, Mengel, Metzer, Barr & Co. (MMB+CO), is included on pages 1 through 3 of this report.

This section presents management's discussion and analysis of the Authority's financial condition and operations for the year ended December 31, 2023. This information should be read in conjunction with the consolidated financial statements.

FINANCIAL HIGHLIGHTS

Management believes the Authority's consolidated financial position remains strong. The following highlights support management's assertions:

- The Authority saw metered water sales decrease by -0.26% from 2022 to 2023. This was due to an extremely wet summer in 2023. Metered water sales were over budget in 2023 by $66,573. The CPWA was able to contribute approximately $93,229 to its capital reserves in 2023.

- The Authority is required by its bond covenant to maintain a debt service coverage ratio of 1.15 in each fiscal year. Therefore, the annual budget of CPWA and the active water rates are established and amended such that this debt service ratio is maintained.

REQUIRED FINANCIAL STATEMENTS

The consolidated financial statements of the Authority report information about CPWA's use of accounting methods, which are similar to those used by private sector companies. These statements offer short and long-term information about CPWA's activities.

The consolidated statement of net position includes all of the Authority's assets, liabilities, deferred outflow of resources, deferred inflow of resources and net position. Assets are resources with present service capacity that the Authority presently controls and liabilities are present obligations to sacrifice resources that the Authority has little or no discretion to avoid. Assets and liabilities are classified as being current or long-term. A deferred outflow of resources is a consumption of assets by the Authority that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of assets by the Authority that is applicable to a future reporting period. Net position is the residual of all other elements presented in the statement of net position. This statement provides the basis for assessing the liquidity and financial flexibility.

The consolidated statement of revenues, expenses, and changes in net position measures the challenges of the Authority's operations over the past two years. The operating revenues represent the amounts received from metered water sales and various fees in exchange for services provided by the Authority. The operating expenses represent the cost incurred by the Authority to operate and maintain the water distribution systems to service the needs of its customers within the Towns of Clifton Park, Malta, and Halfmoon, New York. The net operating revenue indicates the degree to which the Authority was able to cover its costs of operations.

The final required consolidated statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments resulting from operations, investing and financing activities during the year.

The notes to the consolidated financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's significant accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

FINANCIAL ANALYSIS

The following comparative condensed financial statements and other selected information provide key financial data and indicators to management for analysis and planning.

CONDENSED CONSOLIDATED STATEMENTS OF NET POSITION

	2023	2022	$ Change	% Change
Property and equipment, net	$ 19,722,256	$ 20,402,248	$ (679,992)	(3.33%)
Restricted assets	$ 2,616,599	$ 2,465,217	$ 151,382	6.14
Other long-term assets	$ 669,798	$ 1,262,166	$ 592,368	(46.9%)
Current assets	$ 5,097,156	$ 5,131,593	$ (34,437)	(0.67%)
Total assets	$ 28,105,809	$ 29,261,524	$ (1,155,715)	(3.95%)
Deferred outflows of resources	$ 2,816,111	$ 2,976,398	$ (160,287)	(5.39%)
Total Assets and Deferred Outflows of Resources	$ 30,921,920	$ 32,237,398	$ (1,315,478)	(4.08%)
Long-term obligations	$ 5,625,000	$ 7,295,000	$ (1,670,000)	(22.89%)
Current liabilities	$ 2,605,706	$ 2,527,889	$ 77,817	3.08%
Other liabilities	$ 7,238,084	$ 5,786,555	$ 1,451,529	25.08%
Total liabilities	$ 15,468,790	$ 15,609,444	$ (140,654)	(0.90%)
Deferred inflows of resources	$ 3,441,179	$ 5,886,535	$ (2,445,356)	(41.54%)
Net Position				
Invested in capital assets, net of related debt	$ 12,084,814	$ 11,145,181	$ 939,633	8.43
Restricted for debt service	$ 2,616,599	$ 2,465,217	$ 151,382	6.14%
Unrestricted	$ (2,689,462)	$ (2,868,455)	$ 178,993	(6.24%)
Total net position	$ 12,011,951	$ 10,741,943	$ (1,270,008)	11.82%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 30,921,920	$ 32,237,922	$ (1,316,002)	(4.08%)

CONDENSED CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2023	2022	$ Change	% Change
Operating Revenue	$ 6,636,914	$ 6,663,994	$ (27,080)	(0.41%)
Non-operating revenue	$ 404,227	$ 284,238	$ 119,989	42.21%
Total Revenues	$ 7,041,141	$ 6,948,232	$ 92,909	1.34%
Operating Expenses	$ 4,387,235	$ 4,163,412	$ 223,823	5.38%
Interest expense	$ 290,522	$ 365,006	$ (74,484)	(20.41%)
Depreciation and amortization	$ 1,113,097	$ 1,110,504	$ 2,593	0.23%
Other postemployment benefits expense	$ (19,721)	$ (14,505)	$ (5,216)	35.96%
Total Expenses	$ 5,771,133	$ 5,624,417	$ 146,716	2.61%
Change in net position	$ 1,270,008	$ 1,323,815	$ (53,807)	(4.06%)
NET POSITION, beginning of year	$ 10,741,943	$ 9,418,128	$ 1,323,815	14.06%
NET POSITION, end of year	$ 12,011,951	$10,741,943	$ 1,270,008	11.82%

BUDGETARY HIGHLIGHTS

By October 30th, the CPWA Board establishes the operating budget for the following calendar year. Management periodically reviews the budget and informs the Board of the need for amendments.

The budget was established based on estimated revenues and expenses. Since CPWA's metered water sales make up a significant portion of its revenues, and since these sales are very much dependent on the weather during the summer months, the budget uses conservatively estimated metered water sales revenues to avoid budgetary shortfalls. Personnel and debt service make up 65% of the budget. Because these costs are contractual in nature, few adjustments can be made when establishing the budget.

The expenditures in the adopted 2023 budget were $6,411,762, with 2023 total actual expenditures of $6,884,388. This resulted in CPWA being over budget by $472,626, or 7.37% of the total adopted budget. The revenues in the adopted 2023 budget were $6,800,678, with total actual cash revenues of $6,946,167. This resulted in CPWA being over budget in revenues by $145,489, or -2.14% of the adopted budget. From a cash perspective, CPWA received approximately $61,779 more in cash for services rendered than what was paid for associated expenditures (including debt payments) in 2023.

CPWA's operating budget is developed on a cash basis. CPWA's consolidated financial statements, however, are prepared using the accrual basis of accounting. The differences between the budget cash surplus and the change in net position on the consolidated financial statements relates in part to non-cash expenses made part of the consolidated statement of revenues, expenses, and change in net position, but are not included in the budget. These items include depreciation, amortization, and other postemployment benefits expense.

BUDGETARY HIGHLIGHTS

Capital assets purchased during the year do not appear on the consolidated statement of revenues, expenses, and change in net position. Although CPWA paid for both the principal and interest portions of the debt, only the interest portion is accounted for on the consolidated statement of revenues, expenses, and change in net position.

GENERAL TRENDS AND SIGNIFICANT EVENTS

CPWA's consolidated revenues are most significantly affected by customer growth, weather, and changes in the water rates. Since 1992, CPWA's customer base has grown from around 8,500 customers to 13,817. In 2023 CPWA added 74 new customers to its system.

In January 2010, CPWA entered into an agreement with the Saratoga County Water Authority (SCWA) to purchase a minimum of 500,000 gallons of water per day. In 2021, the CPWA increased its contractual obligation to 1,000,000 gallons of water per day and constructed a new pumpstation at its connection to the SCWA, enabling the CPWA to purchase additional water from the SCWA. In 2023, the SCWA water rate was $2.36 per thousand gallons. This agreement and connection to SCWA's system ensures a plentiful source of water to meet customers' needs.

The water rate charged by the CPWA increased in 2021. The basic service charge in 2023 was $17.25 per quarter, and the water rate was as follows:

0-60,000 gallons	$4.35/1,000 gallons
60,000+ gallons	$8.06/1,000 gallons

The CPWA budgeted $1,000,000 for the purchase of water from outside suppliers in 2023, but decreased seasonal demand resulted in water purchase totaling $938,133, resulting in an expense under budget of $61,867.

In 2015 the Authority adopted Government Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions – Amendment to GASB No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The implementation of the Statements requires the Authority to report as an asset and/or liability its portion of the collective net pension asset and liability in the New York State Employees' Retirement System.

The implementation of the Statements also requires the Authority to report a deferred outflow and/or inflow for the effect of the net change in the Authority's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Authority's contributions and its proportionate share of total contributions to the pension system not included in pension expense. Also included as a deferred outflow is the Authority contributions to the pension system subsequent to the measurement date.

In 2018, the Authority adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB No. 75 superseded GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits and Other Than Pensions (OPEB) which the Authority followed from 2009 through 2017.* The implementation of GASB No. 75 requires the Authority to report Other Post-Employment Benefits (OPEB) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. The implementation of the statement resulted in an increase in the liability for Other Post-Employment Benefits Payable in the Statement of Net Position. The Authority obtained an actuarial valuation which calculated the total liability at December 31, 2023 for other postemployment benefits at $5,722,001.

For the year ending December 31, 2022, the CPWA implemented GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* GASB No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB No. 96 establishes uniform accounting and financial reporting requirements for SBITAs; improves the comparability of government's financial statements; and enhances the understandability, reliability, relevance and consistency of information about SBITAs.

LONG-TERM OBLIGATIONS

As of December 31, 2023, CPWA had $7,295,000 in outstanding debt relating to the 2013 and 2016 Serial Bonds. More detailed information about CPWA's long-term obligations is presented in the notes to the financial statements on pages 23 through 25.

FINAL COMMENTS

This financial report is intended to provide a general overview of CPWA's financial position and to illustrate the Authority's accountability for the revenue it receives. If you have any questions about this report or need additional financial information, contact Chris Wheland, Administrator at (518) 383-1122.

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
PROPERTY AND EQUIPMENT, AT COST		
Structures	$ 1,091,271	$ 1,091,271
Pipes and appurtenances	27,601,123	27,592,948
Machinery and equipment	12,326,758	12,075,274
Office equipment and furniture	136,425	136,425
Vehicles	630,577	622,780
	41,786,154	41,518,698
Less accumulated depreciation	(23,719,029)	(22,680,108)
	18,067,125	18,838,590
Construction work-in-progress	1,197,076	1,105,903
Land	458,055	458,055
Net Property and Equipment	19,722,256	20,402,548
OTHER LONG-TERM ASSETS		
Lease assets, net	657,208	703,599
Lease receivable, net of current portion	-	534,067
Interest receivable	12,590	24,500
Total Other Long-Term Assets	669,798	1,262,166
RESTRICTED ASSETS		
Cash and cash equivalents	532,366	552,275
Investments	2,084,233	1,912,942
Total Restricted Assets	2,616,599	2,465,217
CURRENT ASSETS		
Cash and cash equivalents	2,858,832	2,903,021
Investments	742,798	473,320
Accounts receivable, net	202,223	172,088
Unbilled water sales receivable	679,983	674,178
Prepaid expenses	40,341	35,603
Meter inventory	38,912	33,378
Net pension asset - proportionate share	-	334,744
Lease receivable	534,067	505,261
Total Current Assets	5,097,156	5,131,593
TOTAL ASSETS	28,105,809	29,261,524
DEFERRED OUTFLOWS OF RESOURCES	2,816,111	2,976,398
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 30,921,920	$ 32,237,922

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

LIABILITIES AND NET POSITION

	2023	2022
LONG-TERM OBLIGATIONS, LESS CURRENT INSTALLMENTS	$ 5,625,000	$ 7,295,000
CURRENT LIABILITIES		
Accounts payable	253,062	252,892
Accrued interest payable	78,353	97,378
Accrued expenses	515,645	493,157
Accrued consumption payable	5,148	2,137
Current installments of long-term obligations	1,670,000	1,600,000
Retainage payable	49,356	49,356
Current portion of operating lease liability	34,142	32,969
Total Current Liabilities	2,605,706	2,527,889
OTHER LIABILITIES		
Net pension liability - proportionate share	867,148	-
Other post-employment benefits	5,722,001	5,102,406
Interest payable of operating lease liability	21,537	22,610
Long-term portion of operating lease liability	627,398	661,539
Total Other Liabilities	7,238,084	5,786,555
TOTAL LIABILITIES	15,468,790	15,609,444
DEFERRED INFLOWS OF RESOURCES	3,441,179	5,886,535
NET POSITION		
Invested in capital assets, net of related debt	12,084,814	11,145,181
Restricted for debt service	2,616,599	2,465,217
Unrestricted	(2,689,462)	(2,868,455)
Total Net Position	12,011,951	10,741,943
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 30,921,920	$ 32,237,922

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUE		
Metered water sales	$ 4,916,573	$ 4,929,144
Basic service charge	1,069,159	1,062,203
Hydrant fees	588,322	579,237
Hook-up fees	43,884	73,700
Other fees	18,976	19,710
Total Operating Revenues	6,636,914	6,663,994
OPERATING EXPENSES		
Operations and maintenance	3,374,899	3,388,037
Administrative	1,012,336	775,375
Total Operating Expenses	4,387,235	4,163,412
Net Operating revenue before depreciation and amortization	2,249,679	2,500,582
Depreciation and amortization	1,113,097	1,110,504
Net Operating Revenue	1,136,582	1,390,078
OTHER REVENUE (EXPENSE)		
Investment earnings	221,372	(27,961)
Miscellaneous revenue	180,047	162,256
Lease interest revenue	(568)	30,620
Grant revenue	-	105,541
Gain on sale of property	15,725	27,300
Lease amortization expense	(12,349)	(13,518)
Interest expense	(290,522)	(365,006)
Other post-employment benefit expense	19,721	14,505
Total Other Revenue (Expense)	133,426	(66,263)
Change in Net Position	1,270,008	1,323,815
NET POSITION, Beginning of year	10,741,943	9,418,128
NET POSITION, END OF YEAR	$ 12,011,951	$ 10,741,943

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Received from customers	$ 6,780,726	$ 6,872,341
Paid to suppliers and vendors for goods and services	(2,331,034)	(2,666,608)
Paid to employees including benefits	(1,934,583)	(1,782,352)
	2,515,109	2,423,381
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES		
Principal payments on long-term obligations	(1,600,000)	(1,525,000)
Interest paid	(389,512)	(462,012)
Proceeds from investments	61,106	68,210
Purchase of investments	(330,584)	(46,451)
	(2,258,990)	(1,965,253)
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase and construction of capital assets	(386,023)	(540,331)
Proceeds from sale of capital assets	15,725	27,300
	(370,298)	(513,031)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Transfers (to) from restricted cash and investment accounts, net	(151,382)	13,172
Investment earnings received	221,372	(27,961)
	69,990	(14,789)
Net Increase (Decrease) in cash and cash equivalents	(44,189)	(69,692)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,903,021	2,972,713
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,858,832	$ 2,903,021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating revenue	$ 1,136,582	$ 1,390,078
Adjustments to reconcile operating revenue to net cash provided by operating activities		
Depreciation and amortization	1,113,097	1,110,504
Miscellaneous (revenue) expense	167,130	284,899
Bad debt expense (recovery)	295	(227)
Decrease (increase) in		
Accounts receivable	(30,430)	(20,594)
Lease receivable	505,261	(1,039,328)
Lease asset, net	46,391	(703,599)
Interest receivable	11,910	(24,500)
Unbilled water sales receivable	(5,805)	(38,856)
Prepaid expenses	(4,738)	(1,176)
Meter inventory	(5,534)	(967)
Deferred outflows	70,555	565,838
Net pension asset	334,744	(334,744)
Increase (decrease) in		
Accounts payable	169	(101,969)
Accrued expenses	25,499	(23,190)
Deferred inflows - leases	(516,603)	1,033,207
Lease liability	(32,968)	694,508
Interest payable	(1,073)	22,610
Net pension liabilty	867,148	(4,062)
Other post-employment benefits	639,316	(2,472,784)
Deferred inflows	(1,805,837)	2,087,733
	$ 2,515,109	$ 2,423,381

See accompanying notes to consolidated financial statements.

1. SUMMARY OF ACCOUNTING POLICIES

Organization and Principles of Consolidation

These consolidated financial statements reflect the consolidated assets, liabilities, net position, results of operations, and cash flows of the Clifton Park Water Authority (CPWA) and its subsidiary, Country Knolls Water Works, Inc. (Country Knolls), (collectively the Authority). All significant intercompany accounts and transactions are eliminated in consolidation.

CPWA is a New York State public benefit corporation created by referendum on October 16, 1990, pursuant to Title 6-B of Article 5 of the Public Authorities Law of the State of New York. CPWA was created to acquire the water distribution systems needed to serve residential and commercial water customers within the Towns of Clifton Park, Malta, and Halfmoon, New York, and to operate and maintain the systems.

CPWA is governed by a Board of five members who are residents of the Town of Clifton Park (Town) and are appointed by the Town Board for staggered five-year terms.

Country Knolls owns a water system which CPWA uses in its operations. Country Knolls is a not-for-profit local development corporation organized under the New York State Not-For-Profit Corporation Law.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Accounting Method

The Authority's consolidated financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America for public authorities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority will not apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statements of net position. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as miscellaneous revenue and investment earnings, result from ancillary activities. Net position (i.e., total assets net of total liabilities) are segregated into restricted and unrestricted components, as follows:

- *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- *Restricted,* have constraints placed on use, either externally or internally.

1. SUMMARY OF ACCOUNTING POLICIES

Accounting Method

- *Unrestricted*, consist of assets and liabilities that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Estimates

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas including unbilled water sale receivables, other post-employment benefits, net pension asset/liability, deferred inflows/outflows of resources, useful lives of capital assets and lease asset, receivable and liability calculations.

Property and Equipment

Property and equipment are recorded at cost, except for contributed property and equipment, which is recorded at fair value, or the contributor's net book value if fair value is not readily ascertainable, or at the value of fees waived in exchange for property and equipment. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is credited or charged to other revenue.

Depreciation is provided in amounts to relate the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis. The estimated useful lives used in determining depreciation for vehicles, machinery, and equipment vary from five to twenty years. Pipes and appurtenances are depreciated over fifteen to fifty years. Structures are depreciated over forty years. Depreciation expense for December 31, 2023 and 2022 was $1,066,316 and $1,063,723 , respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments purchased with an original maturity of three months or less. All bank balances were fully insured and collateralized at December 31, 2023 and 2022.

Restricted cash and cash equivalents consist of commercial paper and uninvested cash held by the Bond trustee, BNY Mellon. Restricted cash and cash equivalents and investments are legally restricted in use and purposes by the Bond documents.

All cash and cash equivalents held by BNY Mellon are held in trust for CPWA and are legally separated from the assets of BNY Mellon.

1. SUMMARY OF ACCOUNTING POLICIES

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. CPWA determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. At both December 31, 2023 and 2022, the allowance was $4,496. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Bad debt expense (recoveries) for the years ended December 31, 2023 and 2022 was $295 and $(227), respectively.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. Interest of 1.5% per month is charged on accounts receivable that are outstanding for more than 30 days and is recognized as it is charged. After the receivable becomes 60 days past due, a shut off notice is sent to the customer. If payment is not received within 15 days of the notice, the customer's water service is terminated and a $30 shut off fee is added to their account. When the customer pays the outstanding balance along with a $30 reconnection fee, the service is restored. Final bills that are sent to customers who have sold their residence are remitted to a collection agency if payment has not been received within 90 days of the bill. At this point, the bill is on non-accrual status and accrual of interest is suspended.

Management makes an estimate of the unbilled water sales receivable which is based on prior year's actual usage adjusted for the increase or decrease in customer totals. The actual billed amount and receivable from January of the following year and February and March’s estimated billed amounts are used to calculate the average quarterly consumption from the previous year per customer type multiplied by the number of new residential and commercial customers. The estimated billed amount is multiplied by the accrual factor to get the final year-end receivable estimate.

Investments

Investments consist of Certificates of Deposit, Money Markets, U.S. Treasury Notes, and U.S. Treasury Bills; all investments are carried at fair value.

Meter Inventory

CPWA values its meter inventory (specific identification) at cost which approximates market.

Income Taxes

CPWA is exempt from federal income taxes under Section 115 of the Internal Revenue Code and is exempt from New York State income taxes. Country Knolls is subject to federal income taxes and is exempt from New York State income taxes. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position. GAAP requires Authority management to evaluate tax positions taken by the Authority and recognize a tax liability if the agency has taken an uncertain tax position that more than likely would not be sustained upon the examination by the IRS. Management has analyzed the tax positions taken by the Authority, and has concluded that as of December 31, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

1. SUMMARY OF ACCOUNTING POLICIES

Lease Assets

The financial statements report lease assets within the major class of the underlying asset and are valued at the future minimum lease payment. Amortization is 17 years based on the contract terms.

Implementation of New Accounting Standards

The Authority has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. For the year ended December 31, 2023, the Authority implemented the following standards.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ended December 31, 2023. This statement has no significant impact.

Future Changes in Accounting Standards

GASB has issued Statement No. 99 - Omnibus 2022, effective for the year ended December 31, 2024.

GASB has issued Statement No. 100 - *Accounting Changes and Error Corrections*, effective for the year ended December 31, 2024.

GASB has issued Statement No. 101 - *Compensated Absences*, effective for the year ended December 31, 2024.

GASB has issued Statement No. 102 – *Certain Risk Disclosures*, effective for the year ended December 31, 2025.

The Authority will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. INVESTMENTS

Fair Value Measurement of Financial Instruments

Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset’s or liability’s fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used at December 31, 2023 and 2022.

Investments in Certificates of Deposit, U.S. Treasury Notes, and U.S. Treasury Bills are valued based on factors such as maturity dates and interest rates.

2. INVESTMENTS

Fair Value Measurement of Financial Instruments

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instrument could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at December 31, 2023 and 2022 are as follows:

2023	**Fair Value**	**Significant Other Observable Inputs (Level 2)**
Certificates of Deposit	$ -	$ -
U.S. Treasury Notes	2,827,031	2,827,031
Total Assets at Fair Value	$ 2,827,031	$ 2,827,031

2022	**Fair Value**	**Significant Other Observable Inputs (Level 2)**
Certificates of Deposit	$ -	$ -
U.S. Treasury Notes	2,386,262	2,386,262
Total Assets at Fair Value	$ 2,386,262	$ 2,386,262

Investment earnings are reflected in the accompanying financial statements and consist of realized and unrealized gains and losses and interest income.

Disclosures relating to risk and type of investments as presented above are indicative of the activity and the positions held during the year.

2. INVESTMENTS

Fair Value Measurement of Financial Instruments

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2023 and 2022, there were no transfers in or out of levels 1, 2 or 3.

Risks and Uncertainties with Investments

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amount reported in the statement of net position.

3. PROPERTY AND EQUIPMENT, AT COST

A summary of the Authority's property and equipment is as follows:

	Balance January 1, 2023	Additions	Disposals/ Transfers	Balance December 31, 2023
Structures	$ 1,091,271	$ -	$ -	$ 1,091,271
Pipes and Appurtenances	27,592,948	-	-	27,592,948
Machinery and Equipment	12,075,274	278,155	18,496	12,334,933
Office Equipment and Furniture	136,425	-	-	136,425
Vehicles	622,780	35,191	27,395	630,576
Subtotal	41,518,698	313,346	45,891	41,786,153
Less accumulated depreciation	22,680,108	1,066,316	27,395	23,719,029
Subtotal	18,838,590	(752,970)	18,496	18,067,124
Construction work-in-progress	1,105,903	91,173	-	1,197,076
Land	458,055	-	-	458,055
Total Property and Equipment, Net	$ 20,402,548	$ (661,797)	$ 18,496	$ 19,722,256

3. PROPERTY AND EQUIPMENT, AT COST

	Balance January 1, 2022	Additions	Disposals/ Transfers	Balance December 31, 2022
Structures	$ 1,091,271	$ -	$ -	$ 1,091,271
Pipes and Appurtenances	27,538,776	54,172	-	27,592,948
Machinery and Equipment	11,003,252	1,122,282	50,260	12,075,274
Office Equipment and Furniture	136,425	-	-	136,425
Vehicles	627,814	15,791	20,825	622,780
Subtotal	40,397,538	1,192,245	71,085	41,518,698
Less accumulated depreciation	21,687,470	1,063,723	71,085	22,680,108
Subtotal	18,710,068	128,522	-	18,838,590
Construction work-in-progress	1,757,817	3,919	655,833	1,105,903
Land	458,055	-	-	458,055
Total Property and Equipment, Net	$ 20,925,940	$ 132,441	$ 655,833	$ 20,402,548

4. DEFERRED OUTFLOWS OF RESOURCES

A summary of deferred outflows of resources and accumulated amortization is as follows:

	2023	2022
Authority establishment costs	$ 1,630,470	$ 1,630,470
GASB 68 - pension	689,066	731,628
GASB 75 - OPEB	1,688,208	1,716,201
Amounts deferred on defeasance, net of refunds of:		
1999 Series Bonds	114,395	114,395
2016 Prepaid Bond insurance	11,057	11,057
2016 Series Bond deferred loss	549,014	549,014
	4,682,210	4,752,765
Less accumulated amortization	1,866,099	1,776,367
	$ 2,816,111	$ 2,976,398

4. DEFERRED OUTFLOWS OF RESOURCES

Authority establishment costs include initial start-up costs incurred prior to CPWA becoming fully operational. These costs are amortized over 30 to 35 years on the straight-line method. Amortization expense for years ended December 31, 2023 and 2022 was $46,781.

The amount deferred on loss of the 2016 series bond is amortized over the life of the 2016 bonds using the effective interest method and is included as a component of interest expense.

Amortization for the years ended December 31, 2023 and 2022 was $42,103 and $40,613, respectively.

The amount of prepaid bond insurance on the 2016 series bond is amortized over the life of the 2016 bonds using the effective interest method and is included as a component of interest expense. Amortization for the years ended December 31, 2023 and 2022 was $848 and $818, respectively.

A summary of future amortization for establishment costs and deferred defeasance amounts is as follows:

2024	$ 91,307
2025	92,940
2026	94,633
2027	64,233
2028	51,425
Thereafter	44,293
Total	$ 438,831

See Note 10 for more information on the GASB 68 - pension deferred outflow.

See Note 11 for more information on the GASB 75 - OPEB deferred outflow.

5. PROVISION FOR COMPENSATED ABSENCES

All permanent employees meeting certain conditions are provided with vacation and sick pay, and certain other leave credits based on their length of employment. The accumulation of vacation hours is subject to a 240 hours limit, and sick hours is subject to a 1,600 hours limit. Accumulated unpaid vacation and sick leave was $475,967 and $453,638 at December 31, 2023 and 2022, respectively. The amounts are included in accrued expenses. Leave credits, which do not vest with employees, are expensed when paid.

Sick days are forfeited upon termination, but may be used at retirement to pay health insurance premiums. The Authority recognizes a liability for vested sick leave for employees who, at the statement of net position date, currently are eligible to convert vested sick leave to the retiree's portion of health insurance premiums as well as other employees who are expected to become eligible in the future to convert such leave. The liability for vested sick leave was $246,726 and $303,551 at December 31, 2023 and 2022, respectively. These amounts are a part of the unpaid vacation and sick leave referenced in the previous paragraph.

6. LONG-TERM OBLIGATIONS

The Authority issues Revenue Bonds or Revenue Refunding Bonds for the acquisition and construction of the water supply and distribution system that serves its residential and commercial water customers. The Revenue Bonds or Revenue Refunding Bonds are direct obligations and are pledged by the full faith and credit of the Authority. Certain outstanding bonds may be redeemed prior to their normal maturity dates in accordance with the terms of the related bond indentures.

Serial Bonds Payable

Water System Revenue Refunding Bonds, Series 2013

CPWA issued $13,860,000 Series 2013 Bonds to be used by the Authority to (a) refund CPWA's outstanding Series 2003A Bonds, maturing on or after October 1, 2014; and (b) pay the costs of issuance of the Series 2013 Bonds.

Principal payments on the 2013 Bonds are due annually on October 1, with semiannual interest payable April 1 and October 1. Interest rates range from 3.0% to 5.0% per annum.

Optional Redemption

The Series 2013 Bonds maturing on and after October 1, 2024, are subject to redemption prior to maturity at the option of CPWA on or after October 1, 2023, in whole or in part at any time, from maturities selected by CPWA, at the respective redemption price of 100% of the principal amount of the Series 2013 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Advance Refunding Bonds, Series 2016

In October 2016, CPWA issued $4,950,000 Water System Revenue Refunding Bonds, Series 2016, with an average interest rate of 3.61%. The bonds consist of serial bonds bearing various fixed rates ranging from 2.0% to 4.0% with annual maturities from October 2020 through October 2029.

The net proceeds of $5,634,563 were used to advance refund various Series 2009 bonds with a total principal amount of $5,165,000 and an average interest rate of 3.98%.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased, and the related liability for the bonds has been removed from the CPWA liabilities. At December 31, 2023, $3,625,000 of the Series 2009 bonds are considered defeased.

The reacquisition price exceeded the net carrying value of the old debt by $549,014. This amount is included in the deferred outflows of resources and is amortized over the remaining life of the new debt which was the remaining life of the refunded debt. This advanced refunding was undertaken to reduce total debt service payments for the 13 years following the issuance date by $465,936 and resulted in an economic gain of $312,753.

6. LONG-TERM OBLIGATIONS

Advance Refunding Bonds, Series 2016

Optional Redemption

The 2016 Bonds maturing on and after October 1, 2029, are subject to redemption prior to maturity at the option of CPWA on or after October 1, 2028, in whole or in part at any time, from maturities selected by CPWA, at the respective redemption price of 100% of the principal amount of the Series 2016 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Interest expense on all debt obligations was $247,571 and $323,575 for the years ended December 31, 2023 and 2022, respectively.

	2022	Increase	Decrease	2023
Water System Revenue Refunding Bonds, Series 2013	$ 3,870,000	$ -	$ 390,000	$ 3,480,000
Advance Refunding Bonds, Series 2016	5,025,000	-	1,210,000	3,815,000
Operating Lease Liability	694,508	-	32,968	661,540
Total Long-Term Obligations	$ 9,589,508	$ -	$ 1,632,968	$ 7,956,540

	2021	Increase	Decrease	2022
Water System Revenue Refunding Bonds, Series 2013	$ 4,245,000	$ -	$ 375,000	$ 3,870,000
Advance Refunding Bonds, Series 2016	6,175,000	-	1,150,000	5,025,000
Operating Lease Liability	-	749,990	55,482	694,508
Total Long-Term Obligations	$ 10,420,000	$ 749,990	$ 1,580,482	$ 9,589,508

See Note 9. Operating Lease Liability-preserve lease for additional information related to this lease and related payment terms and future payments.

6. LONG-TERM OBLIGATIONS

A summary of CPWA's future minimum annual maturities for long-term obligations is as follows:

	Serial Bonds				
	2013	2016	Interest	Premium	Total
For the year ending December 31,					
2024	$ 405,000	$ 1,265,000	$ 293,550	$ (77,733)	$ 1,885,817
2025	415,000	1,335,000	215,201	(80,527)	1,884,674
2026	425,000	1,215,000	139,475	(79,920)	1,699,555
2027	1,295,000	-	68,213	(65,002)	1,298,211
2028	465,000	-	25,585	(67,385)	423,200
2029-2030	475,000	-	10,687	(58,039)	427,648
	$ 3,480,000	$ 3,815,000	$ 752,711	$ (428,606)	$ 7,619,105

A covenant related to the debt requires the Authority to maintain net revenue that is at least equal to the greater of 115% of the aggregate debt service on all bonds outstanding in the year or the sum of the aggregate debt service on all bonds outstanding and the deposits required to be made into the bond reserve fund, the renewal and replacement fund, and the subordinate obligation fund in the year. At December 31, 2023 and 2022 , the Authority met the covenant above.

7. DEFERRED INFLOWS OF RESOURCES

A summary of deferred inflows of resources and accumulated amortization is as follows:

	2023	2022
Amounts deferred on defeasance, Series 2013 Bonds	$ 624,435	$ 624,435
Series 2009A Bond issuance premium	60,598	60,598
Water System Revenue Refunding Bonds, Series 2013 reoffering premium	221,186	221,186
Water System Revenue Refunding Bonds, Series 2016 premium	733,891	733,891
GASB 68 - Pension	49,659	1,165,055
GASB 75 - OPEB	2,308,655	2,999,096
Leases	516,604	1,033,207
	4,515,028	6,837,468
Less accumulated amortization	1,073,849	950,933
	$ 3,441,179	$ 5,886,535

7. DEFERRED INFLOWS OF RESOURCES

The issuance premiums are accreted over the life of the bonds using the effective interest method. The amounts deferred on defeasance of the Series 2013 Bonds are amortized using the effective interest method over the life of the Water System Revenue Refunding Bonds, Series
Accretion and amortization for the years ended December 31, 2023 and 2022 was $122,916 and $120,312, respectively, and is included as a component of interest expense.

A summary of the future accretion and amortization is as follows:

2024	$	125,612
2025		128,406
2026		119,819
2027		65,002
2028		127,424
Thereafter		60,039
Total	$	626,302

Deferred inflows for leases relates to the straight-line amortization of leases.

See Note 10 for the portion of the deferred inflows of resources not included in the table above that is amortized to pension expense.

See Note 11 for the portion of deferred inflows of resources not included in the table above that is amortized to OPEB expense.

8. RELATED PARTY TRANSACTIONS

During 2023 and 2022, CPWA reimbursed the Town of Clifton Park (Town) $64,966 and $112,849, respectively, for operating costs incurred. CPWA owed the Town $11,389 and $13,393 at December 31, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, the Town purchased water for $21,194 and $11,972 from CPWA.

9. COMMITMENTS AND CONTINGENCIES

Operating Lease Liability-Preserve Lease

CPWA leases certain lands that are located within the area known as the Vischer's Ferry Nature and Historic Preserve from the New York State Canal Corporation for the purpose of installing production wells, control facilities and associated improvements, and for pumping subterranean water for human consumption and other uses to the water system operated by CPWA.

The lease was extended in 2018 and expires in February 2028; however, the lease may be extended for one additional successive term of ten years based upon certain terms and conditions. CPWA intends to extend this lease through 2038.

9. COMMITMENTS AND CONTINGENCIES

The minimum rental for the lease of the property is calculated at the rate of $.079 per thousand gallons of water pumped by CPWA for the first 730,000,000 gallons of raw water treated and sold, but in no event shall such minimum rental be less than $57,670. The minimum rental is subject to an annual increase based on the same percentage increases fixed from time to time by CPWA for metered water sales to its residential customers. The rental payment for quantities of water drawn over and above the minimum shall be calculated in accordance with a graduated fee schedule based on gallons pumped annually. In addition, CPWA is required to pay a percentage of the gross revenues collected from bulk water sales to outside districts.

Lease payments are to be made on an annual basis, within thirty days following the close of each year. The rental payment for the year shall be equivalent to the minimum rental rate plus the value of the cumulative volume of water pumped during that year. No volume of water pumped during 2023 and 2022 exceeded the minimum rental rate. Total payments under the lease were $61,645 and $61,657 for 2023 and 2022, respectively, with $23,628 and $24,797 of this payment representing interest for 2023 and 2022, respectively.

Operating Lease Liability-Preserve Lease

A summary of CPWA's annual minimum requirements to amortize these obligations and interest is as follows:

	Principal	Interest
2024	$ 34,142	$ 23,529
2025	35,355	22,315
2026	36,613	21,057
2027	37,915	19,755
2028	39,264	18,406
5 years ending 2033	218,285	70,065
5 years ending 2038	259,966	28,384

Lease agreement Summary:

	Date	Payment Term	Payment Amount	Interest Rate	Total Lease Liability	Balance December 31, 2023
Land	2/1/1998	40 years	$57,670	3.50%	$ 749,990	$ 661,540

9. COMMITMENTS AND CONTINGENCIES

Agreement with Saratoga County Water Authority

During 2010, CPWA entered into an agreement with the Saratoga County Water Authority (SCWA) to purchase at least 500,000 gallons of water per day for at least ten years from the date of first delivery of water. The maximum price is set at $2.05 per 1,000 gallons and increases at the rate of 1.5% each subsequent year. Effective September 2, 2021, CPWA entered into a revised agreement with the SCWA to purchase at least 1,000,000 gallons of water per day for a period of 10 years. In addition, SCWA agrees to provide up to 2,500,000 gallons of water per day during peak flow. The maximum price is set at $2.322 per 1,000 gallons through December 31, 2020, and increases annually not to exceed 1.5% each subsequent year. Total water purchases from Saratoga County Water Authority were $919,939 and $1,200,938 for the years ended December 31, 2023 and 2022, respectively.

Also in 2010, CPWA entered into a cost sharing agreement with the Town of Ballston. The agreement requires CPWA to reimburse the Town of Ballston annually for maintenance costs directly related to a pump station based on a pro-rated basis of water taken by CPWA through the pump station to the total water provided by SCWA.

Rental Income

CPWA rents cell phone tower space to four companies. Annual rental income from these agreements range from $20,640 to $28,662. The lessees are responsible for utility costs. The leases expire in 2025 with the conditional options to renew for five additional five-year terms. The amount of rental income recorded in miscellaneous revenue was $140,762 and $137,116 for the years ended December 31, 2023 and 2022, respectively. The leases are cancelable by either party without the others consent and therefore do not meet the criteria to be recorded under GASB 87.

A summary of future rental income is as follows:

2024	$ 114,934
2025	58,609
2026	-
2027	-
2028	-
Thereafter	-

Workers' Compensation

CPWA participates in the County of Saratoga's Self Insurance Pool (Plan) to cover losses under the Workers' Compensation Law. Other cities, towns, villages, fire districts, youth commissions, and public benefit corporations within the County of Saratoga can participate. Each participant is billed by the Plan for its share of the estimated costs for the ensuing year. Any deficiencies in the amounts billed are added to the next year's bill.

10. PENSION

General Information

The Authority participates in the New York State and Local Employees' Retirement System (ERS). ERS is referred to herein as the "System". This is a cost-sharing multiple employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description

The New York State and Local Employees' Retirement 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 plan 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. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). 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 Authority also participates in the Public Employees Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report and additional information may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244 or found at www.osc.state.ny.us/retire/publications/index.php.

Contributions

The System is noncontributory except for employees who joined the System after July 27, 1976. Those employees who joined after July 27, 1976 have varying contribution rates and terms based upon their date of membership as follows:

Tiers	Plan Entry Dates	Contribution Rate	Term
4	7/27/1976 - 12/31/2009	3% of salary	First ten years of membership
5	1/1/2010 - 3/31/2012	3% - 3.5% of salary	Active membership
6	4/1/2012 - present	3% - 6% of salary	Active membership

Employee contributions rates under tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates, expressed as proportions of members' payroll which shall be used in computing the contributions required to be made by employers to the pension fund.

10. PENSION

Contributions

The Authority is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2023	$	163,589
2022		142,431
2021		190,255

The Authority contributions made to the System were equal to 100 percent of the contributions required for each year.

Pension Asset/Liability

At December 31, 2023 and 2022, the Authority reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2023 and March 31, 2022. The total net pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension asset/(liability) was based on a projection of the Authority's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS System in a report provided to the Authority.

Pension Liability

Actuarial valuation date	April 1, 2022	April 1, 2021
Net pension asset/(liability)	$ (867,148)	$ 334,744
Authority's portion of the Plan's total net pension asset/(liability)	0.0040438%	0.0040949%

Pension Expense

For the years ended December 31, 2023 and 2022, the Authority recognized its proportionate share of pension expense of $303,115 and $151,401, respectively.

10. PENSION

Deferred Outflows and Inflows of Resources Related to Pension

At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 92,358	$ 24,353	$ 25,351	$ 32,881
Changes of assumptions	421,143	4,654	558,651	9,427
Net difference between projected and actual earnings on pension plan investments	-	5,094	-	1,096,147
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,976	15,558	5,195	26,600
Contributions subsequent to the measurement date	163,589	-	142,431	-
Total	$ 689,066	$ 49,659	$ 731,628	$ 1,165,055

The Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2024 and 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

10. PENSION

Deferred Outflows and Inflows of Resources Related to Pension

Year ended:		
2024	$	107,699
2025		(48,669)
2026		179,602
2027		237,186
2028		-

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2023	March 31, 2022
Actuarial valuation date	April 1, 2022	April 1, 2021
Inflation rate	5.90%	5.90%
Salary Scale	4.40%	4.40%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	April 1, 2015 - March 31, 2020 System's Experience
Projected cost of living adjustments	1.5% annually	1.4% annually
Investment return	2.90%	2.70%
Mortality improvement	Scale MP-2021	Scale MP-2020

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The long-term expected rate of return on pension plan investments was determined using the 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 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:

10. PENSION

Actuarial Assumptions

	Long-term expected real rate of return	
	2023	**2022**
Asset Class		
Domestic equities	4.30%	3.30%
International equities	6.85	5.85
Private equity	7.50	6.50
Real estate	4.60	5.00
Opportunistic / ARS Portfolio	5.38	4.10
Credit	5.43	3.78
Real assets	5.84	5.80
Fixed Income	1.50	0.00
Cash	0.00	-1.00

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for the measurement dates March 31, 2023 and 2022, respectively. 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 asset/(liability).

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9% for 2023 and 2022, as well as what the Authority's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

10. PENSION

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

December 31, 2023	**1% Decrease (4.90%)**	**Current Assumption (5.90%)**	**1% Increase (6.90%)**
Employer's proportionate share of the net pension asset/(liability)	$ (2,095,526)	$ (867,148)	$ 159,304

December 31, 2022	**1% Decrease (4.90%)**	**Current Assumption (5.90%)**	**1% Increase (6.90%)**
Employer's proportionate share of the net pension asset/(liability)	$ (861,628)	$ 334,744	$ 1,335,452

Changes in Assumptions

Changes in assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided pension benefits for the period during which changes occurred. Differences between projected and actual earnings or pension plan investments are amortized over a closed five-year period.

Collective Pension Expense

Collective pension expenses includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the years ended December 31, 2023 and 2022 was $292,647 and $1,268, respectively.

Payables/Prepayments to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Payment for the System's year ending March 31, 2022 and 2021 were made by the Authority in December 2023 and 2022. As such, no amounts have been accrued at December 31, 2023 and 2022.

11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Authority administers the post-employment benefits as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits. The Plan provides for continuation of medical benefits for certain retirees and their survivors and can be amended by action of the Authority subject to applicable collective bargaining and employment agreements.

11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the Plan members and employer are established by action of the Authority pursuant to applicable employment agreements. Employees are required to continue payment of their health benefit contribution amount in retirement; however, employees can apply any unused, unpaid sick leave credits to pay their portion of their health insurance premium. Employees are eligible for the retiree health benefits upon meeting the following requirements: 1) maintained full-time employment with the Authority for a minimum of ten years; 2) has reached the eligible age of retirement as stated by the New York State Employees' Retirement System. The Authority currently funds the plan to satisfy current obligations on a pay-as-you-go basis. The annual cost of providing this benefit for retirees and spouses was approximately $35,000 and $29,000 for the years ended December 31, 2023 and 2022, respectively.

The contribution requirements of Plan members and the Authority are established by the Authority.

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

Inactive plan members or beneficiaries currently receiving benefit payments	3
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	17
Total Plan Members	20

Net OPEB Liability

The Authority's total OPEB liability was measured as of December 31, 2023; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023.

11. OTHER POST-EMPLOYMENT BENEFITS

Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2023 and 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2023	**2022**
Inflation	3.0%	3.0%
Salary increases (including inflation)	3.0%	3.0%
Discount Rate (S&P Municipal Bond 20-year High Grade Rate Index)	4.00%	4.31%
Healthcare cost trend rates		
Pre-Medicare	8.0% for 2023 decreasing 0.5% per year to an ultimate rate of 5.00% by 2024.	8.0% for 2022 decreasing 0.5% per year to an ultimate rate of 5.00% by 2023.
Medicare	N/A	N/A

Mortality rates were based on RP-2006 mortality table with mortality projected to the current year using Scale MP-2020 to account for mortality improvement.

Retirement participation rate assumed that 100% of all newly-retiring employees with health insurance elect to keep their health insurance when they retire and when they turn 65.

Termination rates are based on the Sarasson T-5 Table.

11. OTHER POST-EMPLOYMENT BENEFITS

Change in the Net OPEB Liability

Changes in the Authority's net OPEB liability at December 31, 2023 were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at December 31, 2022	$ 5,102,406	$ -	$ 5,102,406
Changes for the year:			
Service cost	83,738	-	83,738
Interest	219,160	-	219,160
Difference between expected and actual experience	43,248	-	43,248
Contributions - employer	-	-	-
Net investment income	-	-	-
Changes of assumptions and difference between Actual and Expected Experience	308,405	-	308,405
Benefit payments	(34,956)	-	(34,956)
Net changes	619,595	-	619,595
Balances December 31, 2023	$ 5,722,001	$ -	$ 5,722,001

Changes in the Authority's net OPEB liability at December 31, 2022 were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at December 31, 2021	$ 7,589,695	$ -	$ 7,589,695
Changes for the year:			
Service cost	208,403	-	208,403
Interest	170,441	-	170,441
Difference between expected and actual experience	(451,855)	-	(451,855)
Contributions - employer	-	-	-
Net investment income	-	-	-
Changes of assumptions and difference between Actual and Expected Experience	(2,385,199)	-	(2,385,199)
Benefit payments	(29,079)	-	(29,079)
Net changes	(2,487,289)	-	(2,487,289)
Balances December 31, 2022	$ 5,102,406	$ -	$ 5,102,406

11. OTHER POST-EMPLOYMENT BENEFITS

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's total OPEB liability at December 31, 2023, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	$ 6,774,559	$ 5,722,001	$ 4,895,846

The following presents the Authority's total OPEB liability at December 31, 2022, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current discount rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	$ 6,037,956	$ 5,102,406	$ 4,367,845

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Authority's total OPEB liability at December 31, 2023, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current healthcare cost trend rate:

	1% Decrease 7.0% Decreasing to 4.0%	Healthcare Cost Trend Rate 8.0% Decreasing to 5.0%	1% Increase 9.0% Decreasing to 6.0%
Total OPEB Liability	$ 4,888,432	$ 5,722,001	$ 6,791,984

11. OTHER POST-EMPLOYMENT BENEFITS

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Authority's total OPEB liability at December 31, 2022, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current healthcare cost trend rate:

	1% Decrease 7.0% Decreasing to 4.0%	Healthcare Cost Trend Rate 8.0% Decreasing to 5.0%	1% Increase 9.0% Decreasing to 6.0%
Total OPEB Liability	$ 4,361,726	$ 5,102,406	$ 6,052,662

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

For the years ended December 31, 2023 and 2022, the Authority recognized OPEB expense of $(19,721) and $(14,505). The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 272,483	$ 608,238
Amounts recognized in OPEB expense	-	-
Changes of assumptions	1,415,725	1,700,417
Contributions subsequent to the measurement period	-	-
Total	$ 1,688,208	$ 2,308,655

11. OTHER POST-EMPLOYMENT BENEFITS

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

December 31, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 277,532	$ 767,780
Amounts recognized in OPEB expense	-	-
Changes of assumptions	1,438,669	2,231,316
Contributions subsequent to the	-	-
Total	$ 1,716,201	$ 2,999,096

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

Year Ending December 31,	
2024	$ (310,795)
2025	(310,795)
2026	(310,794)
2027	256,614
2028	(23,988)
Thereafter	79,311

12. LEASE ASSETS

A summary of the lease asset activity during the years ended December 31, 2023 and 2022 are as follows:

December 31, 2023

	Balance January 1	Additions	Deletions	Balance December 31
Lease Asset				
Land	$ 749,990	$ -	$ -	$ 749,990
Less accumlated amortization	46,391	46,391	-	92,782
Total Lease Assets, Net	$ 703,599	$ 46,391	$ -	$ 657,208

12. LEASE ASSETS

December 31, 2022

	Balance January 1	Additions	Deletions	Balance December 31
Lease Asset				
Land	$ -	$ 749,990	$ -	$ 749,990
Less accumlated amortization	-	46,391	-	46,391
Total Lease Assets, Net	$ -	$ 703,599	$ -	$ 703,599

Amortization expense is included in Lease amortization expense on the consolidated statement of revenue, expense and change in net position.

13. LEASE RECEIVABLE

CPWA is reporting a lease receivable of $534,067 and $1,039,328 at December 31, 2023 and 2022, respectively. For the years ended 2023 and 2022, CPWA reported lease revenue of $516,603 and $516,603 and interest revenue of $25,055 and $42,660,respectively, related to lease payments received. This lease is summarized as follows:

December 31, 2023

	Lease Receivable	Lease Revenue	Lease Interest Revenue
Lease			
Towns of Malta and Clifton Park	$ 534,067	$ 516,603	$ 25,055

December 31, 2022

	Lease Receivable	Lease Revenue	Lease Interest Revenue
Lease			
Towns of Malta and Clifton Park	$ 1,039,328	$ 516,603	$ 42,660

The towns and CPWA entered into a five-year lease on January 1, 2020 for the lease of fire hydrants. Based on this agreement, CPWA is receiving annual payments through 2024 at an annual per fire hydrant cost. Rental payments are due May 1st of each year with the amount due being based on the total amount of hydrants online as of August 15th of the preceding calendar year. The per hydrant amount was $250 in 2022 and increases by $5 each year thereafter. For purposes of calculating the lease receivable and deferred inflows, CPWA has assumed a fixed payment based on the number of fire hydrants in each town used for the 2023 and 2022 rental receipts. The expectation is the number of hydrants online in any given year would not decrease from the previous year.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through __________, 2024 which is the date these financial statements were available to be issued. All subsequent events requiring recording or disclosure have been incorporated into these financial statements.

15. CONSOLIDATED ENTITY

The following is a summary of financial information of County Knolls for the years ended 2023 and 2022, respectively:

December 31, 2023

Total Assets	$ 242,748
Total Liabilities	275
Retained Earnings	$ 242,473
Total Revenue	$ -
Total Expenses	20,841
Change in Retained Earnings	$ (20,841)

December 31, 2022

Total Assets	$ 263,589
Total Liabilities	275
Retained Earnings	$ 263,314
Total Revenue	$ -
Total Expenses	22,988
Change in Retained Earnings	$ (22,988)

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2023

ERS Pension Plan
Last 10 Fiscal Years

	2023	2022	Restated 2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0040438%	0.0040949%	0.0040774%	0.0042851%	0.0044289%	0.0047426%	0.0045786%	0.0046758%	0.0048419%
Proportionate share of the net pension liability (asset)	$ 867,148	$ (334,744)	$ 4,062	$ 1,134,723	$ 313,804	$ 153,064	$ 430,214	$ 750,484	$ 163,573
Covered-employee payroll	$ 1,138,516	$ 1,128,945	$ 1,078,536	$ 1,040,301	$ 1,032,652	$ 1,053,121	$ 1,065,010	$ 995,379	$ 978,695
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	76.16%	-29.65%	0.38%	109.08%	30.39%	14.53%	40.40%	75.40%	16.71%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

ERS Pension Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 142,431	$ 190,255	$ 163,832	$ 160,480	$ 164,794	$ 168,644	$ 157,536	$ 186,777	$ 205,593
Contributions in relation to the contractually required contribution	(142,431)	(190,255)	(163,832)	(160,480)	(164,794)	(168,644)	(157,536)	(186,777)	(205,593)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 1,138,516	$ 1,128,945	$ 1,078,536	$ 1,040,301	$ 1,032,652	$ 1,053,121	$ 1,065,010	$ 995,379	$ 978,695
Contributions as a percentage of covered-employee payroll	12.51%	16.85%	15.19%	15.43%	15.96%	16.01%	14.79%	18.76%	21.01%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Fiscal Year Ending *					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Total OPEB Liability						
Measurement date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Service cost	$ 83,738	$ 208,403	$ 226,545	$ 188,627	152,325	$ 154,746
Interest	219,160	170,441	155,297	195,763	173,617	164,966
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	43,248	(451,855)	(395,428)	(113,915)	436,120	(66,046)
Change in assumptions and other inputs	308,405	(2,385,199)	(430,875)	1,796,043	496,793	-
Benefit payments	(34,956)	(29,079)	(24,691)	(25,333)	(21,758)	(10,291)
Net Change in Total OPEB Liability	619,595	(2,487,289)	(469,152)	2,041,185	1,237,097	243,375
Total OPEB Liability - beginning	5,102,406	7,589,695	8,058,847	6,017,662	4,780,565	4,537,190
Total OPEB Liability - ending	$ 5,722,001	$ 5,102,406	$ 7,589,695	$ 8,058,847	$ 6,017,662	$ 4,780,565
Covered-employee payroll	$ 1,200,784	1,128,056	$ 1,106,534	$ 1,111,628	$ 999,365	$ 1,059,086
Total OPEB Liability as a percentage of covered-employee payroll	476.52%	452.32%	685.90%	724.96%	602.15%	451.39%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available. Additionally, the amounts presented for each fiscal year were determined as of the measurement date as disclosed in the footnotes.

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*

Board of Directors
Clifton Park Water Authority

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 consolidated financial statements of the Clifton Park Water Authority and Subsidiary (Authority) as of and for the year ended December 31, 2023, and the related notes to the consolidated financial statements, which collectively comprise the Authority's basic consolidated financial statements, and have issued our report thereon dated ______, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during out audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We identified a certain deficiency in internal control that we consider to be a significant deficiency.

2023-001 Unbilled Water Revenue and Receivable

Criteria: Management makes an estimate of the unbilled water sales receivable which is based on prior year's actual usage adjusted for the increase or decrease in customer totals.

Condition: The adjusting entry made by the Authority to account for the estimate of unbilled water sales and receivable was incorrect.

Cause: The report used to calculate the adjusting entry to unbilled water sales and receivable was compiled using incorrect numbers.

Effect: The unbilled water sales and receivable accounts were overstated by $100,517 prior to the proposed audit adjustment.

Recommendation: We recommend that the Business Manager review the reports used to calculate the estimate as well as the adjusting entry. The Administrator should review the entry and agree it to the support.

Context: As part of our audit, we recalculate this adjustment as the estimate of unbilled water sales and receivable is considered to be a significant estimate.

Views of responsible officials and planned corrective actions: The formulas on the spreadsheet had not been updated for the current year. The errors were corrected in the spreadsheet and a journal entry was done to correct the original entry. The Business Manager will review the reports used to calculate the adjustment and the Administrator will review the entry and agree it to the support.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's consolidated 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 of consolidated 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.*

Authority’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority’s response to the findings identified in our audit and described previously. The Authority’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Latham, NY
_______, 2024