CLIFTON PARK WATER AUTHORITY
BOARD MEETING

Wednesday, March 12, 2025
7:00 PM

AGENDA

- Approve Minutes of February 12, 2025 Meeting

Privilege of the Floor

Note: Each speaker shall state their name and address prior to addressing the Board and shall be granted the floor for a single time frame of up to five minutes for items on the agenda.

New Business

- 2024 Financial Audit Presentation
- Transfers*
- NYS Open Meetings Law

Old Business

- Peacock Glen Property
- Northwood Water Service/ Stein project
- Chelsea Place
- Verizon Agreement Amendment
- Billing Software

Other Business

- Pipe Specification

Executive Session

- Exempt Employee Salary

Privilege of the Floor

Note: Each speaker shall state their name and address prior to addressing the Board and shall be granted the floor for a single time frame of up to five minutes for any items related to the Clifton Park Water Authority.

*Need Board Approval

CLIFTON PARK WATER AUTHORITY

BOARD MEETING MINUTES

MARCH 12, 2025

Those present were: Mr. Helmut Gerstenberger, Chairman; Mr. William Butler, Treasurer; Mr. Peter Taubkin, Secretary; Mr. Kenneth Bowman, Board Member; Mr. Chris Wheland, Administrator; Mr. Ronald Marshall, Superintendent; Mr. James Trainor, Attorney; Mr. Brock Juusola, Engineer; and Councilwoman Agatha Reid, Town of Clifton Park Liaison. Absent: Mr. John Ryan, Vice Chairman.

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

APPROVE MINUTES OF FEBRUARY 12, 2025 MEETING
Mr. Gerstenberger made a **motion** to approve the minutes of February 12, 2025; seconded by Mr. Butler. The **motion** carried 4-0, 1 absent.

PRIVILEGE OF THE FLOOR
No members of the public present.

NEW BUSINESS
2024 FINANCIAL AUDIT PRESENTATION
Heather Lewis of MMB+CO presented the Board with the draft financial statement and audit report for the fiscal year ended December 31, 2024. The Authority received a clean report for the organization.

The Board will review the financial statements for approval at next month's meeting.

TRANSFERS
At times throughout the year, it is necessary to adjust the budget. Exhibit A, attached, shows a list of transfers requested. The overall budget remains the same. The only transfer is to accommodate salary increases as per the new CSEA contract. During the 2025 budget process Mr. Wheland placed an amount aside in anticipation of increased salaries.

Mr. Taubkin made a **motion** to amend the CPWA 2025 Operating Budget; seconded by Mr. Gerstenberger.

RESOLUTION# 13, 2025 – AMEND THE CPWA 2025 OPERATING BUDGET

WHEREAS, the Clifton Park Water Authority wishes to amend the 2025 Operating Budget,

WHEREAS, the current budget is proposed and passed in the fall of the previous year based on the best knowledge of upcoming expenses,

WHEREAS, the budget often requires adjustment based on changes in costs and needs for the Authority,

NOW, THEREFORE BE IT

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby amends the 2025 Operating and Capital Budget as stated in Exhibit A.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Taubkin	- Aye
Mr. Butler	- Aye
Ms. Bowman	- Aye

NYS OPEN MEETINGS LAW

Pursuant to Section 2829 of Public Authorities Law (PAL), all state and local authorities, as defined by Section 2 of PAL, and their subsidiaries, are subject to the Freedom of Information and Open Meetings laws (Public Officers Law Articles 6 and 7, respectively) The Authorities Budget Office (ABO) has issued "Policy Guidance 25-01: Freedom of Information Law and Open Meeting Law" to assist state and local authorities, and their subsidiaries, in meeting the requirements of the Freedom of Information Law (FOIL) and Open Meetings Law (OML). Mr. Trainor stated part of the guidelines recommend the board take advantage of modern technology by streaming and posting videos of the board meeting on the CPWA website. Boards should be clear of what they are moving into executive session for. Board meeting minutes should also be posted within 2 weeks after the board meeting. Mr. Trainor stated this is unpractical since this board meets once a month. A draft watermark would have to be placed on them until they are approved at next month's meeting. The agenda should be posted at least one week in advance of the meeting. Board materials should be provided to members before the meeting and made available to the public. They should include information relevant to the items on the agenda needed for board members to attend board meetings prepared and ready to participate.

Mr. Wheland states we do not have the equipment to stream or video record the meeting at this time. Mr. Wheland will look into equipment that will stream or record board meetings.

Appointing a FOIL officer should also be done. The board had a discussion about who would be the FOIL officer and how they will need to be familiar with resolutions and guidelines. Mr. Wheland stated he is going to talk to the Town about their FOIL officer and their policy for FOIL. Mr. Wheland will update the board about this at the next board meeting.

OLD BUSINESS

PEACOCK GLEN PROPERTY

Councilwoman Reid reported the grant has been obtained. She believes it was for 50% of the total purchase price. The Town has to have a discussion between board members about the remainder of the cost and eventual utilization of the property.

NORTHWOOD WATER SERVICE/STEIN PROJECT

Phil Barrett, Town of Clifton Park Supervisor, has requested a letter from the Town of Malta for reassurance that the Town of Malta is in agreement with the water line connection to Northwood Water Services. Allowing this connection will also allow the

Stein project to move forward. The Town of Malta is looking to impose a six-month moratorium on certain land use applications. Mr. Wheland attended the Town of Malta's board meeting on March 3rd to follow up on Supervisor Barrett's request.

CHELSEA PLACE

Mr. Wheland stated he is still waiting for final approval from the Town of Clifton Park.

VERIZON AGREEMENT AMENDMENT

Mr. Trainor has not gotten a response from his letter he sent to Verizon Vertical Bridge last month. He will follow up.

BILLING SOFTWARE

Mr. Wheland explained that our current billing software provider, CUSI, operates on Microsoft Windows 10. Microsoft will not be supporting Windows 10 after October 15, 2025. All of our billing data is currently stored on the server. He has contacted a few utility billing software companies to look into upgrading the billing software. He prepared a spreadsheet showing 3 bids he received for new billing software from the following companies: CUSI, Edmunds, and CSI. It shows the start-up cost to transfer all of the current data to the cloud, then the first, second, and third year cost to host the service in the cloud. The new age software is called Software-as-Service (SAS) which is cloud based. He explained you're not buying the software you're buying the service which comes with a monthly fee. With SAS you have the ability to log in from any desktop. The provider controls security and the software can be updated as needed in the cloud. Unfortunately, with this comes a significant cost. CUSI was the most expensive coming in at just under $160,000, Edmunds came in at $76,400, and CSI came in at $90,000. The Town of Clifton Park currently uses the Edmunds software. Edmunds also has a workorder system included in their software. Elements, our current workorder system costs $2,800 per year. This will eliminate the need for Elements software. The Edmunds work order system can schedule appointments, service calls, and it also comes with a smartphone app that the field technicians can add notes to. The Board authorized Mr. Wheland to move forward with the Edmunds billing software.

OTHER BUSINESS

PIPE SPECIFICATION

The current CPWA specifications require ductile iron pipe. MJ Engineering did the map plan for the Synergy project. They were told our spec was ductile iron. After they did their report, they stated ductile iron cost too much and they went with PVC C-900 water pipe. The grant was for $1 million for the C-900 pipe. MJ stated the cost for ductile iron would have been $1.7 million. Mr. Wheland is looking to adjust the CPWA specifications to include PVC C-900 pipe, if the cost difference is more than 30%. Mr. Juusola recommended bidding the project out both ways as he is skeptical of the almost double price difference in the pipe material.

Mr. Juusola recommended keeping the specifications with ductile iron pipe or High-Density Polyethylene (HDPE) pipe. He stated C-900 can be pretty brittle and it's hard to tap. It's a hard plastic that can be problematic if there is anything pressing against it. Mr. Wheland is not a fan of HDPE because of the outside diameter (OD) and the inside diameter (ID) of the pipe. He explained that C-900 is a push together pipe. All of the OD of the pipe is extremely similar to ductile iron. All of our repair clamps will fit both. He states our field crew works with it. It's a cut and replace, very simple to work with. HDPE is a fusible pipe installation, meaning that when it's installed you bring the 2 pieces together, a knife blade goes between the 2 and heats it up, you then pull the knife blade out and squeeze the pipe together to form one unified piece of pipe. The problem is when it breaks, the OD on HDPE is different than ductile iron or C-900 so it takes different repair clamps. HDPE also expands and contracts more than C-900.

Mr. Taubkin stated it makes sense to change the policy to allow for the flexibility to use both but recommended getting bids for both options and then make a decision based on the project. Mr. Wheland can amend the spec to state ductile iron is the preferred pipe and put limitations on the cost difference between ductile iron and C-900. He would need to see the actual bid broken down for final approval. He will continue to review the specifications.

KINNS ROAD

During the budget process, Mr. Wheland spoke about potentially finding a new location for the Lapp Road facility. The CPWA owns approximately 7 acres on Kinns Road, which is a CPWA well site. Delaware Engineering did some work to see what of the site is actually usable and came up with about 5 acres. This would triple the size of the Lapp Road facility. As the bonds start coming to completion over the next few years, Mr. Wheland will be looking to use those funds to clear the site and build a new site at this location.

EXECUTIVE SESSION

Mr. Gerstenberger made a **motion** to move into executive session at 8:28pm to discuss exempt employee salary; seconded by Mr. Bowman. The **motion** carried 4-0, 1 absent.

Mr. Gerstenberger made a **motion** to move out of executive session at 8:43pm; seconded by Mr. Bowman. The **motion** carried 4-0, 1 absent.

OTHER DISCUSSIONS

- Hydrant flushing begins on March 24, 2025.

- Mr. Gerstenberger asked for an update on the anode installations on Riverview Road. Mr. Wheland explained that technology has changed since that water main was installed. Water main is now wrapped to prevent corrosion. He is looking at paying off the bonds over the next few years which will put an influx into the budget of a couple million dollars a year. After the Kinns Road site is constructed, he is looking at doing a pipe replacement program. He would review the GIS system to see the areas where there have been a number of water main breaks over the years, Riverview Road would be on that list.

The CPWA's next board meeting is scheduled for Wednesday, April 9, 2025 at 7pm.

Mr. Gerstenberger made a **motion** to adjourn the meeting at 8:46pm; seconded by Mr. Bowman. The **motion** carried 4-0, 1 absent.

Respectfully submitted,
Sheri Collins
Recording Secretary
cc: CPWA Board of Directors
Trainor, Pezzullo & DeSanto PLLC

March 5, 2025

To the Board of Directors
Clifton Park Water Authority and Subsidiary

Dear Board Members:

We have audited the consolidated financial statements of the Clifton Park Water Authority and Subsidiary (the Authority) for the year ended December 31, 2024 and have issued our report thereon March 5, 2025. Professional standards also require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 2, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. Our audit of the consolidated financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Clifton Park Water Authority and Subsidiary solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats of independence to an acceptable level include a skilled, knowledgeable and experienced Administrator who review draft financial statements prior to issuance and accept responsibility for them. Management provides all information for the depreciation schedule and entries made as part of the financial statement preparation and assumes all responsibility for them as well.

Significant Risks Identified

Professional auditing standards require that we identify and assess risks and design and perform our audit procedures to assess those risks. The identification of a risk does not mean that it has occurred, but rather it has the potential to impact the financial statements. The following is considered a risk due to its potential impact on the Authority's financial statements: management override of controls based on their potential significance to the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Clifton Park Water Authority and Subsidiary is included in Note 1 to the consolidated financial statements. As described in Note 5 to the consolidated financial statements, during the year, the Authority changed its method of accounting for compensated absences by adopting GASB Statement No. 101, *Compensated Absences*. Implementation of this standard had a significant impact on the consolidated financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements.

The most sensitive estimates affecting the Authority's consolidated financial statements were:

- Management's estimate of the unbilled water sales receivable which is based on the prior year's actual usage adjusted for the increase or decrease in customer totals.
- Management's estimate of the liability for other post-employment benefits and the related deferred inflows/outflows relating to GASB 75 is based on calculations performed by the Authority's actuary consultant.
- Management's estimate of the net pension asset/liability and deferred outflows/inflows relating to GASB 68 is based on actuarial assumptions provided by the state plan.
- Management's estimate of the useful lives of capital assets is based on historic lives of similar assets.
- Management's estimate of the discount rate used in the calculation of leases in accordance with GASB 87.

We evaluated the key factors and assumptions used to develop the estimates above in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's consolidated financial statements relate to significant estimates identified above.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the consolidated financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's consolidated financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated March 5, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Clifton Park Water Authority and Subsidiary, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mengel, Metzger, Barr & Co. LLP

CLIFTON PARK WATER AUTHORITY
AND SUBSIDIARY
FINANCIAL REPORT
DECEMBER 31, 2024

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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, 2024 and 2023, 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, 2024 and 2023, 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*, 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.

Change in Accounting Principle

As described in Note 5 to the consolidated financial statements, in 2024, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 44-46 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 March 5, 2025, 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 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.

Mengel, Metzger, Barr & Co. LLP

Latham, NY
March 5, 2025

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, 2024. 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 43 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 23 through 26.

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 2024, totaled 380,444,000 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 2024 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, 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, 2024. 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 increase by 6.87% from 2023 to 2024. This was due to a dry spring and summer in 2024. Metered water sales were over budget in 2024 by $133,478. The CPWA was able to contribute approximately $39,825 to its capital reserves in 2024.

- 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

	2024	2023	$ Change	% Change
Property and equipment, net	$ 19,250,066	$19,722,256	$ (472,190)	-2.39%
Restricted assets	$ 2,754,454	$2,616,599	$ 137,855	5.27%
Current assets	$ 4,600,733	$5,097,156	$ (496,423)	-9.74%
Total assets	$ 27,216,070	$28,105,809	$ (889,739)	-3.17%
			$ -	
Deferred outflows of resources	$ 2,268,624	$2,816,111	$ (547,487)	-19.44%
Total Assets and Deferred Outflows of Resources	$ 29,484,694	$30,921,920	$ (1,437,226)	-4.65%
Long-term obligations	$ 3,875,000	$5,625,000	$ (1,750,000)	-31.11%
Current liabilities	$ 2,737,097	$2,605,706	$ 131,391	5.04%
Other liabilities	$ 6,594,538	$7,238,084	$ (643,546)	-8.89%
Total liabilities	$ 13,206,635	$15,468,790	$ (2,262,155)	-14.62%
Deferred inflows of resources	$ 2,801,635	$3,441,179	$ (639,544)	-18.59%
Net Position				
Invested in capital assets, net of related debt	$ 13,423,748	$12,084,814	$ 1,338,934	11.08%
Restricted for debt service	$ 2,754,454	$2,616,599	$ 137,855	5.27%
Unrestricted	$ (2,701,778)	($2,689,462)	$ (12,316)	0.46%
Total net position	$ 13,476,424	$12,011,951	$ 1,464,473	12.19%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 29,484,694	$30,921,920	$ (1,437,226)	-4.65%

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

	2024	2023	$ Change	% Change
Operating Revenue	$ 6,952,984	$6,636,914	$316,070	4.76%
Non-operating revenue	$ 541,809	$404,227	$137,582	34.04%
Total Revenues	$ 7,494,793	$7,041,141	$453,652	6.44%
Operating Expenses	$ 4,824,629	$4,387,235	$437,394	9.97%
Interest expense	$ 212,464	$290,522	($78,058)	-26.87%
Depreciation and amortization	$ 1,125,195	$1,113,097	$12,098	1.09%
Other postemployment benefits expense	$ (131,968)	$ (19,721)	($112,247)	569.17%
Total Expenses	$ 6,030,320	$5,771,133	$259,187	4.49%
			$0	
Change in net position	$ 1,464,473	$1,270,008	$194,465	15.31%
NET POSITION, beginning of the year as previously stated	$ 12,011,951	$10,741,943	$1,270,008	11.82%
Cumulative effect of change in accounting principle				
NET POSITION, end of year	$ 13,476,424	$12,011,951	$1,464,473	12.19%

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 2024 budget were $6,625,984, with 2024 total actual expenditures of $7,459,734. This resulted in CPWA being over budget by $833,750, or 12.58% of the total adopted budget. The revenues in the adopted 2024 budget were $6,978,538, with total actual cash revenues of $7,484,759. This resulted in CPWA being over budget in revenues by $506,221, or -7.25% of the adopted budget. From a cash perspective, CPWA received approximately $25,025 more in cash for services rendered than what was paid for associated expenditures (including debt payments) in 2024.

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 13,900. In 2024 CPWA added 83 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 2024, the SCWA water rate was $2.40 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 2024 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 $1,100,000 for the purchase of water from outside suppliers in 2024, but increased seasonal demand resulted in water purchase totaling $1,250,431, resulting in an expense over budget of $150,431.

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, 2024 for other postemployment benefits at $5,436,808.

For the year ending December 31, 2023, 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.

For the year ending December 31. 2024, the CPWA implemented GASB Statement No. 101, *Compensated Absences*, which provided for a unified recognition and measurement model for recognizing the liability for compensated absences.

LONG-TERM OBLIGATIONS

As of December 31, 2024, CPWA had $3,875,000 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 26.

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, 2024 AND 2023

ASSETS

	2024	2023
PROPERTY AND EQUIPMENT, AT COST		
Structures	$ 1,091,271	$ 1,091,271
Pipes and appurtenances	28,799,876	27,601,123
Machinery and equipment	12,743,006	12,326,758
Office equipment and furniture	136,425	136,425
Vehicles	755,938	630,577
	43,526,516	41,786,154
Less accumulated depreciation	(24,734,505)	(23,719,029)
	18,792,011	18,067,125
Construction work-in-progress	-	1,197,076
Land	458,055	458,055
Net Property and Equipment	19,250,066	19,722,256
OTHER LONG-TERM ASSETS		
Lease assets, net	610,817	657,208
Interest receivable	-	12,590
Total Other Long-Term Assets	610,817	669,798
RESTRICTED ASSETS		
Cash and cash equivalents	2,754,454	532,366
Investments	-	2,084,233
Total Restricted Assets	2,754,454	2,616,599
CURRENT ASSETS		
Cash and cash equivalents	1,869,846	2,858,832
Investments	1,795,063	742,798
Accounts receivable, net	125,127	202,223
Unbilled water sales receivable	723,014	679,983
Prepaid expenses	43,486	40,341
Meter inventory	44,197	38,912
Lease receivable	-	534,067
Total Current Assets	4,600,733	5,097,156
TOTAL ASSETS	27,216,070	28,105,809
DEFERRED OUTFLOWS OF RESOURCES	2,268,624	2,816,111
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 29,484,694	$ 30,921,920

See accompanying notes to consolidated financial statements.

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

LIABILITIES AND NET POSITION

	2024	2023
LONG-TERM OBLIGATIONS, LESS CURRENT INSTALLMENTS	$ 3,875,000	$ 5,625,000
CURRENT LIABILITIES		
Accounts payable	298,766	253,062
Accrued interest payable	58,491	78,353
Accrued expenses	557,722	515,645
Accrued consumption payable	36,762	5,148
Current installments of long-term obligations	1,750,000	1,670,000
Retainage payable	-	49,356
Current portion of operating lease liability	35,356	34,142
Total Current Liabilities	2,737,097	2,605,706
OTHER LIABILITIES		
Net pension liability - proportionate share	545,262	867,148
Other post-employment benefits	5,436,807	5,722,001
Interest payable of operating lease liability	20,426	21,537
Long-term portion of operating lease liability	592,043	627,398
Total Other Liabilities	6,594,538	7,238,084
TOTAL LIABILITIES	13,206,635	15,468,790
DEFERRED INFLOWS OF RESOURCES	2,801,635	3,441,179
NET POSITION		
Invested in capital assets, net of related debt	13,423,748	12,084,814
Restricted for debt service	2,754,454	2,616,599
Unrestricted	(2,701,778)	(2,689,462)
Total Net Position	13,476,424	12,011,951
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 29,484,694	$ 30,921,920

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
OPERATING REVENUE		
Metered water sales	$ 5,183,992	$ 4,916,573
Basic service charge	1,077,265	1,069,159
Hydrant fees	603,399	588,322
Hook-up fees	78,500	43,884
Other fees	9,828	18,976
Total Operating Revenues	6,952,984	6,636,914
OPERATING EXPENSES		
Operations and maintenance	3,809,574	3,374,899
Administrative	1,015,055	1,012,336
Total Operating Expenses	4,824,629	4,387,235
Net Operating revenue before depreciation and amortization	2,128,355	2,249,679
Depreciation and amortization	1,125,195	1,113,097
Net Operating Revenue	1,003,160	1,136,582
OTHER REVENUE (EXPENSE)		
Investment earnings	243,105	221,372
Miscellaneous revenue	207,113	180,047
Lease interest revenue	(30,052)	(568)
Grant revenue	125,381	-
Gain on sale of property	7,400	15,725
Lease amortization expense	(11,138)	(12,349)
Interest expense	(212,464)	(290,522)
Other post-employment benefit expense	131,968	19,721
Total Other Revenue (Expense)	461,313	133,426
Change in Net Position	1,464,473	1,270,008
NET POSITION, Beginning of year	12,011,951	10,741,943
NET POSITION, END OF YEAR	$ 13,476,424	$ 12,011,951

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Received from customers	$ 7,319,421	$ 6,780,726
Paid to suppliers and vendors for goods and services	(2,668,044)	(2,331,034)
Paid to employees including benefits	(2,111,116)	(1,934,583)
	2,540,261	2,515,109
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES		
Principal payments on long-term obligations	(1,670,000)	(1,600,000)
Interest paid	(313,412)	(389,512)
Proceeds from investments	7,056,250	61,106
Purchase of investments	(8,108,511)	(330,584)
	(3,035,673)	(2,258,990)
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase and construction of capital assets	(606,223)	(386,023)
Proceeds from sale of capital assets	7,400	15,725
	(598,823)	(370,298)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Transfers (to) from restricted cash and investment accounts, net	(137,855)	(151,382)
Investment earnings received	243,105	221,372
	105,250	69,990
Net Increase (Decrease) in cash and cash equivalents	(988,985)	(44,189)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,858,832	2,903,021
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,869,847	$ 2,858,832
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating revenue	$ 1,003,160	$ 1,136,582
Adjustments to reconcile operating revenue to net cash provided by operating activities		
Depreciation and amortization	1,125,195	1,113,097
Miscellaneous (revenue) expense	291,304	167,130
Bad debt expense (recovery)	122	295
Decrease (increase) in		
Accounts receivable	76,974	(30,430)
Lease receivable	534,067	505,261
Lease asset, net	46,391	46,391
Interest receivable	12,590	11,910
Unbilled water sales receivable	(43,031)	(5,805)
Prepaid expenses	(3,145)	(4,738)
Meter inventory	(5,285)	(5,534)
Deferred outflows	456,179	70,555
Net pension asset	-	334,744
Increase (decrease) in		
Accounts payable	45,704	169
Accrued expenses	73,688	25,499
Deferred inflows - leases	(516,603)	(516,603)
Lease liability	(34,141)	(32,968)
Interest payable	(1,111)	(1,073)
Net pension liabilty	(321,886)	867,148
Other post-employment benefits	(153,226)	639,316
Deferred inflows	2,671	(1,805,837)
Cash flows provided by operating activities	$ 2,540,261	$ 2,515,109

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, 2024 and 2023 was $1,078,414 and $1,066,316 , 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, 2024 and 2023.

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, 2024 and 2023, 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, 2024 and 2023 was $122 and $295, 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, 2024, 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, 2024, the Authority implemented the following standards.

GASB has issued Statement No. 99 - *Omnibus 2022*, effective for the year ended December 31, 2024. This statement has no significant impact.

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

GASB has issued Statement No. 101 - *Compensated Absences*, effective for the year ended December 31, 2024. See Note 5 Provision for Compensated Absences for additional information.

Future Changes in Accounting Standards

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

GASB has issued Statement No. 103 - *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026.

GASB has issued Statement No. 104 - *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026.

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, 2024 and 2023.

2. INVESTMENTS

Fair Value Measurement of Financial Instruments

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.

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, 2024 and 2023 are as follows:

2024	Fair Value	Significant Other Observable Inputs (Level 2)
Certificates of Deposit	$ -	$ -
U.S. Treasury Notes	1,795,063	1,795,063
Total Assets at Fair Value	$ 1,795,063	$ 1,795,063

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

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, 2024 and 2023, 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, 2024	Additions	Disposals/ Transfers	Balance December 31, 2024
Structures	$ 1,091,271	$ -	$ -	$ 1,091,271
Pipes and Appurtenances	27,601,123	1,198,753	-	28,799,876
Machinery and Equipment	12,326,758	482,214	65,966	12,743,006
Office Equipment and Furniture	136,425	-	-	136,425
Vehicles	630,577	125,361	-	755,938
Subtotal	41,786,154	1,806,328	65,966	43,526,516
Less accumulated depreciation	23,719,029	1,078,414	62,937	24,734,506
Subtotal	18,067,125	727,914	3,029	18,792,010
Construction work-in-progress	1,197,076	-	1,197,076	-
Land	458,055	-	-	458,055
Total Property and Equipment, Net	$ 19,722,256	$ 727,914	$ 1,200,105	$ 19,250,066

3. PROPERTY AND EQUIPMENT, AT COST

	Balance January 1, 2023	Additions	Disposals/ Transfers	Balance December 31, 2023
Structures	$ 1,091,271	$ -	$ -	$ 1,091,271
Pipes and Appurtenances	27,601,123	-	-	27,601,123
Machinery and Equipment	12,067,099	278,155	18,496	12,326,758
Office Equipment and Furniture	136,425	-	-	136,425
Vehicles	622,780	35,192	27,395	630,577
Subtotal	41,518,698	313,347	45,891	41,786,154
Less accumulated depreciation	22,680,108	1,066,316	27,395	23,719,029
Subtotal	18,838,590	(752,969)	18,496	18,067,125
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	$ (661,796)	$ 18,496	$ 19,722,256

4. DEFERRED OUTFLOWS OF RESOURCES

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

	2024	2023
Authority establishment costs	$ 1,630,470	$ 1,630,470
GASB 68 - pension	612,533	689,066
GASB 75 - OPEB	1,308,562	1,688,208
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
	4,226,031	4,682,210
Less accumulated amortization	1,957,407	1,866,099
	$ 2,268,624	$ 2,816,111

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, 2024 and 2023 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, 2024 and 2023 was $43,647 and $42,103, 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, 2024 and 2023 was $880 and $848, respectively.

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

2025	$ 92,940
2026	94,633
2027	64,233
2028	51,425
2029	44,293
Total	$ 347,524

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. With the implementation of GASB 101, Compensated Absences, the Authority is required to recognize a liability for compensated absences for leave that has not been used or leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Historically, all employees use both the sick time to increase the retirement benefit, and they convert the unused sick time to a dollar value to then be used for the health insurance premium. The portion converted to a dollar value to then be used for the health insurance premium, which is accrued, is calculated by the following: unused sick time multiplied by the hourly rate of the employee at time of retirement. However, for the accrual reported on the consolidated statement of statement of net position this is calculated using the employee’s rate at year end as required by GASB 101.

5. PROVISION FOR COMPENSATED ABSENCES

Accumulated unpaid vacation and sick leave was $506,395 and $475,967 at December 31, 2024 and 2023, 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 $281,518 and $246,726 at December 31, 2024 and 2023, respectively. These amounts are a part of the unpaid vacation and sick leave referenced in the previous paragraph. Implementation of GASB 101, Compensated Absences, did not impact the calculation of compensated absences. It primarily resulted in new/enhanced methodology and disclosures only.

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. The Series 2013 Bonds have not been redeemed as of December 31, 2024.

6. LONG-TERM OBLIGATIONS

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, 2024, $3,205,000 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.

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.

6. LONG-TERM OBLIGATIONS

Interest expense on all debt obligations was $167,937 and $247,571 for the years ended December 31, 2024 and 2023, respectively.

Below is a summary of long-term obligations:

	2023	Increase	Decrease	2024
Water System Revenue Refunding Bonds, Series 2013	$ 3,480,000	$ -	$ 405,000	$ 3,075,000
Advance Refunding Bonds, Series 2016	3,815,000	-	1,265,000	2,550,000
Operating Lease Liability	661,540	-	34,141	627,399
Total Long-Term Obligations	$ 7,956,540	$ -	$ 1,704,141	$ 6,252,399

	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

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,					
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	475,000	-	10,687	(58,039)	427,648
	$ 3,075,000	$ 2,550,000	$ 459,161	$ (350,873)	$ 5,733,288

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, 2024 and 2023, the Authority met the covenant above.

7. DEFERRED INFLOWS OF RESOURCES

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

	2024	2023
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	313,914	49,659
GASB 75 - OPEB	2,047,071	2,308,655
Leases	1	516,604
	4,001,096	4,515,028
Less accumulated amortization	1,199,461	1,073,849
	$ 2,801,635	$ 3,441,179

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, 2024 and 2023 was $125,613 and $122,916, respectively, and is included as a component of interest expense.

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

2025	$	128,406
2026		119,819
2027		65,002
2028		67,385
2029		60,039
Thereafter		-
Total	$	440,651

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 2024 and 2023, CPWA reimbursed the Town of Clifton Park (Town) $63,764 and $64,966, respectively, for operating costs incurred. CPWA owed the Town $10,008 and $11,389 at December 31, 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, the Town purchased water for $24,921 and $21,194 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

Operating Lease Liability-Preserve Lease

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 2024 and 2023 exceeded the minimum rental rate. Total payments under the lease were $61,958 and $61,645 for 2024 and 2023, respectively, with $22,417 and $23,628 of this payment representing interest for 2024 and 2023, respectively.

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

	Principal	Interest
2025	$ 35,355	$ 22,315
2026	36,613	21,057
2027	37,915	19,755
2028	39,264	18,406
2029	40,660	17,010
5 years ending 2034	226,049	62,301
5 years ending 2039	211,543	19,138
Totals	$ 627,399	$ 179,982

Lease agreement Summary:

	Date	Payment Term	Payment Amount	Interest Rate	Total Lease Liability	Balance December 31, 2024
Land	2/1/1998	40 years	$57,670	3.50%	$ 749,990	$ 627,399

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 $873,080 and $919,939 for the years ended December 31, 2024 and 2023, 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 ranges 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 $145,036 and $140,762 for the years ended December 31, 2024 and 2023, 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:

2025	$ 58,609
2026	-
2027	-
2028	-
2029	-
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:

2024	$ 207,600
2023	163,589
2022	142,431

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, 2024 and 2023, 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, 2024 and March 31, 2023. 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, 2023	April 1, 2022
Net pension asset/(liability)	$ (545,262)	$ (867,148)
Authority's portion of the Plan's total net pension asset/(liability)	0.0037032%	0.0040438%

Pension Expense

For the years ended December 31, 2024 and 2023, the Authority recognized its proportionate share of pension expense of $234,971 and $303,115, respectively.

10. PENSION

Deferred Outflows and Inflows of Resources Related to Pension

At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 175,629	$ 14,739	$ 92,358	$ 24,353
Changes of assumptions	206,151	-	421,143	4,654
Net difference between projected and actual earnings on pension plan investments	-	266,358	-	5,094
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,153	32,817	11,976	15,558
Contributions subsequent to the measurement date	207,600	-	163,589	-
Total	$ 612,533	$ 313,914	$ 689,066	$ 49,659

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, 2025 and 2024, 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:		
2025	$	(106,372)
2026		103,099
2027		155,739
2028		(61,575)
2029		-

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, 2024	March 31, 2023
Actuarial valuation date	April 1, 2023	April 1, 2022
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	1.5% annually
Investment return	2.90%	2.90%
Mortality improvement	Scale MP-2021	Scale MP-2021

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	
	2024	**2023**
Asset Class		
Domestic equities	4.00%	4.30%
International equities	6.65	6.85
Private equity	7.25	7.50
Real estate	4.60	4.60
Opportunistic / ARS Portfolio	5.25	5.38
Credit	5.40	5.43
Real assets	5.79	5.84
Fixed Income	1.50	1.50
Cash	0.25	0.00

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for the measurement dates March 31, 2024 and 2023, 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 2024 and 2023, 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, 2024	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset/(liability)	$ (1,714,360)	$ (545,262)	$ 431,177

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

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, 2024 and 2023 was $226,502 and $292,647, 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, 2023 and 2022 were made by the Authority in December 2024 and 2023. As such, no amounts have been accrued at December 31, 2024 and 2023.

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 $75,000 and $35,000 for the years ended December 31, 2024 and 2023, respectively.

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

Employees Covered by Benefit Terms – At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	5
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	18
Total Plan Members	23

Net OPEB Liability

The Authority's total OPEB liability was measured as of December 31, 2024; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024.

11. OTHER POST-EMPLOYMENT BENEFITS

Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2024 and 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2024	2023
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)	4.28%	4.00%
Healthcare cost trend rates		
Pre-Medicare	7.0% for 2024 decreasing 0.5% per year to an ultimate rate of 4.5% by 2025.	8.0% for 2023 decreasing 0.5% per year to an ultimate rate of 5.00% by 2024.
Medicare	N/A	N/A

Mortality rates were based on PUB-2010 mortality table with mortality projected to the current year using Scale MP-2021 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, 2024 were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at December 31, 2023	$ 5,722,001	$ -	$ 5,722,001
Changes for the year:			
Service cost	98,152	-	98,152
Interest	227,387	-	227,387
Difference between expected and actual experience	(123,487)	-	(123,487)
Contributions - employer	-	-	-
Net investment income	-	-	-
Changes of assumptions and difference between Actual and Expected Experience	(412,584)	-	(412,584)
Benefit payments	(74,662)	-	(74,662)
Net changes	(285,194)	-	(285,194)
Balances December 31, 2024	$ 5,436,807	$ -	$ 5,436,807

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

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, 2024, 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 (3.28%) or 1 percentage point higher (5.28%) than the current discount rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	$ 6,359,515	$ 5,436,807	$ 4,703,909

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

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, 2024, 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 (6.0%) or 1 percentage point higher (8.0%) than the current healthcare cost trend rate:

	1% Decrease 6.0% Decreasing to 3.5%	Healthcare Cost Trend Rate 7.0% Decreasing to 4.5%	1% Increase 8.0% Decreasing to 5.5%
Total OPEB Liability	$ 4,701,020	$ 5,436,807	$ 6,368,368

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, 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

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

For the years ended December 31, 2024 and 2023, the Authority recognized OPEB expense of $(92,470) and $(19,721). The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 224,186	$ 547,486
Amounts recognized in OPEB expense	-	
Changes of assumptions	1,084,376	1,499,585
Contributions subsequent to the measurement period	-	-
Total	$ 1,308,562	$ 2,047,071

11. OTHER POST-EMPLOYMENT BENEFITS

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

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

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,	
2025	$ (418,009)
2026	(418,008)
2027	149,400
2028	(131,203)
2029	79,311
2030	-

12. LEASE ASSETS

A summary of the lease asset activity during the years ended December 31, 2024 and 2023 are as follows:

December 31, 2024

	Balance January 1	Additions	Deletions	Balance December 31
Lease Asset				
Land	$ 749,990	$ -	$ -	$ 749,990
Less accumlated amortization	92,782	46,391	-	139,173
Total Lease Assets, Net	$ 657,208	$ 46,391	$ -	$ 610,817

12. LEASE ASSETS

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

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 $0 and $534,067 at December 31, 2024 and 2023, respectively. For the years ended 2024 and 2023, CPWA reported lease revenue of $1 and $516,603 and interest revenue of $6,406 and $25,055,respectively, related to lease payments received. This lease is summarized as follows:

December 31, 2024

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Towns of Malta and Clifton Park	$ -	$ -	$ 6,406

December 31, 2023

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

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 $255 in 2024 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 2024 and 2023 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 March 5, 2025 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 2024 and 2023, respectively:

December 31, 2024

Total Assets	$ 224,375
Total Liabilities	275
Retained Earnings	$ 224,100
Total Revenue	$ -
Total Expenses	18,373
Change in Retained Earnings	$ (18,373)

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)

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2024

ERS Pension Plan
Last 10 Fiscal Years
Restated

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.003703%	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)	$ 545,262	$ 867,148	$ (334,744)	$ 4,062	$ 1,134,723	$ 313,804	$ 153,064	$ 430,214	$ 750,484	$ 163,573
Covered-employee payroll	$ 1,206,951	$ 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	45.18%	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	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

ERS Pension Plan
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 163,588	$ 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	(163,588)	(142,431)	(190,255)	(163,832)	(160,480)	(164,794)	(168,644)	(157,536)	(186,777)	(205,593)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 1,206,951	$ 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	13.55%	12.51%	16.85%	15.19%	15.43%	15.96%	16.01%	14.79%	18.76%	21.01%

CLIFTON PARK WATER AUTHORITY AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2024
Fiscal Year Ending *

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Measurement date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Service cost	$ 98,152	$ 83,738	$ 208,403	$ 226,545	$ 188,627	$ 152,325	$ 154,746
Interest	227,387	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	(123,487)	43,248	(451,855)	(395,428)	(113,915)	436,120	(66,046)
Change in assumptions and other inputs	(412,584)	308,405	(2,385,199)	(430,875)	1,796,043	496,793	-
Benefit payments	(74,662)	(34,956)	(29,079)	(24,691)	(25,333)	(21,758)	(10,291)
Net Change in Total OPEB Liability	(285,194)	619,595	(2,487,289)	(469,152)	2,041,185	1,237,097	243,375
Total OPEB Liability - beginning	5,722,001	5,102,406	7,589,695	8,058,847	6,017,662	4,780,565	4,537,190
Total OPEB Liability - ending	$ 5,436,807	$ 5,722,001	$ 5,102,406	$ 7,589,695	$ 8,058,847	$ 6,017,662	$ 4,780,565
Covered-employee payroll	$ 1,257,784	$ 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	432.25%	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 (*Government Auditing Standards*), the consolidated financial statements of the Clifton Park Water Authority and Subsidiary (Authority) as of and for the year ended December 31, 2024, 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 March 5, 2025.

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. Given these limitations, during out audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.*

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

Mengel, Metzger, Barr & Co. LLP

Latham, NY
March 5, 2025

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Clifton Park Water Authority

We have examined the Clifton Park Water Authority's (Authority) compliance with its investment guidelines and with the requirements of Section 2925 of the New York State Public Authorities Law for the year ended December 31, 2024. The Authority's management is responsible for the Authority's compliance with the requirements of Section 2925 of the New York State Public Authorities Law. Our responsibility is to express an opinion on the Authority's compliance with those requirements for the year ended December 31, 2024 based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority's investments are in accordance with the aforementioned requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements for the year ended December 31, 2024. The nature, timing, and extent of the of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, Clifton Park Water Authority complied, in all material respects with the aforementioned requirements for the year ended December 31, 2024.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Authority's compliance with its investment guidelines and with the requirements of Section 2925 of the New York State Public Authorities Law; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Authority complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over the Authority's compliance with those requirements or other matters; accordingly, we express no such opinions. Our examination disclosed no matters that are required to be reported under *Government Auditing Standards*.

Our examination is not intended to provide any assurance as to the income from investments, fees paid, or investments at the end of the year. This report is for the examination of the Authority's compliance with its investment guidelines and with the requirements of Section 2925 of the New York State Public Authorities Law for the year ended December 31, 2024 and is not suitable for any other purpose.

Mengel, Metzger, Barr & Co. LLP

Latham, NY
March 5, 2025

Clifton Park Water Authority
Budget Transfer

Date: **3/6/2025**

Acct No	Description	Budget Amount	Increase/Decrease	Revised Budget	Explanation
Operation and Maintenance					
6000	Miscellaneous	$ 42,300.00	$ (25,000.00)	$ 17,300.00	
5000	Wages	$ 808,578.00	$ 25,000.00	$ 833,578.00	increase budget for newly negotiate salaries
				$ -	
				$ -	
				$ -	
			$ -		
General and Administrative					
7990	Miscellaneous	$ 18,500.00	$ (11,100.00)	$ 7,400.00	
7000	Wages	$ 375,083.00	$ 11,100.00	$ 386,183.00	increase budget for newly negotiate salaries
				$ -	
				$ -	
				$ -	
				$ -	
				$ -	
	Overall Budget Change		0.00		

Closed Y/N	Capital Budget	Budget amount	Amount Spent	Remaining budget	Project update
N	Brass Goods	$ 40,000		$ 40,000.00	Materials are ordered, waiting for delivery and invoicing
N	Water Meters	$ 160,000		$ 160,000.00	
N	Fire Hydrants	$ 20,000		$ 20,000.00	Materials are ordered, waiting for delivery and invoicing
N	Actuators	$ 7,500	2524.98	$ 4,975.02	Materials are ordered, waiting for delivery and invoicing
N	Valves (Boyack)	$ 20,800		$ 20,800.00	Materials are ordered, waiting for delivery and invoicing
N	Scada	$ 23,000		$ 23,000.00	
Y	Scissor Lift	$ 6,500	6500	$ -	Order received
N	Security Gate	$ 7,000		$ 7,000.00	
N	Transfer Switch	$ 12,500		$ 12,500.00	Materials are ordered, waiting for delivery and invoicing
N	Ruhle Rd	$ 40,000		$ 40,000.00	
N	Billing Software	$ 85,000		$ 85,000.00	
N	GPS	$ 3,300	4085	$ (785.00)	Order received
N	Brake Trailer	$ 20,000		$ 20,000.00	Materials are ordered, waiting for delivery and invoicing
Y	Dump Trailer	$ 17,000	13715	$ 3,285.00	Order received
Y	Skid Steer	$ 25,000	25000	$ -	Order received
				$ 435,775.02	

	CUSI	Edmunds	CSI
Startup	$ 29,800	$ 15,500	$ 15,000
1st yr	$ 43,260	$ 20,300	$ 25,000
2nd yr	$ 43,260	$ 20,300	$ 25,000
3rd year	$ 43,260	$ 20,300	$ 25,000
3yr total	**$ 159,580**	**$ 76,400**	**$ 90,000**
		CURRENT Town of Clifton Park Software	$2,800 Annual For elements required with CSI
Included			
Licenses	5	10	Unlimited
Bank Draft	X	X	X
Electronic Payment	X	X	X
Payment Portal	X	X	X
IVR Module	X	X	X
Text Messages	X	X	
3rd Party Mailing	X	X	X
Work order	X	X	
year history	1	3	3
Web Hosting	X	X	X
Smart Phone App		X	X
Attach Files	X	X	X
Text Alerts			
ESRi Connect			
Billing Formulas	X	X	
Bar Code Payment		X	
	12/16	14/16	10/16

Authorities Budget Office
Policy Guidance

No. 25-01

Date Issued: March 5, 2025
Supersedes: New

Subject: Freedom of Information Law and Open Meetings Law

Statutory Citation: Section 2829 of Public Authorities Law

Provisions: Section 2829 of Public Authorities Law (PAL) provides that all state and local authorities defined under Article 1, Title 1, Section 2 of PAL, and their subsidiaries (collectively "Authorities"), are subject to Freedom of Information Law and Open Meetings Law (Article 6 and 7 of Public Officers Law, respectively). This section also provides that all state and local authorities, and their subsidiaries, to the extent practicable, are required to stream all open meetings and public hearings on their website in real-time and post the video recordings on their website within five business days of the meeting or public hearing. The video recordings must be maintained on their website for no less than five years.

Authorities Budget Office Policy Guidance: Authorities are to be transparent and accountable, and act in the public interest consistent with their intended purpose. In doing so, Authorities must be responsive and responsible to the public, and perform their public business in an open and public manner to allow for stakeholders to be fully aware of, and able to observe, the performance and decision-making of the board and officials. This includes allowing the public to attend and listen to their deliberations and decisions, and to access the Authority's records.

As advances in technology have made it feasible for Authorities to maintain their websites, the Authorities Budget Office (ABO) expects Authorities to take advantage of this opportunity to make information about their activities and decision-making available and accessible on their websites, including keeping them up-to-date and user-friendly. As such, Authorities should stream their open meetings and public hearings in real-time and post the video recordings to their website, along with any records that would allow the public to stay informed about the Authority's activities and decisions before and after they occur.

Access to agency records: The Freedom of Information Law (FOIL) affirms the public has the right to know how Authorities operate, including the rights of access to records that reflect Authority decisions and policies. All records of the Authority, except those that may be withheld under the exemptions listed in Section 87 (2) of Public Officers Law (POL), must be made available to the public upon request. Authorities must adopt procedures for how records may be accessed by the public, including:

- Times and places such records are available;

- Persons from whom such records may be obtained (Records Access Officer); and
- Associated fees to copy the requested records. Note that an agency with the ability to scan or otherwise transmit records electronically (e.g., email) is expected to do so.

When a member of the public requests a record, Authorities have five business days to grant or deny access, either in whole or in part. The Authority may redact information withheld under the exemptions, but shall provide the rest of the record. If more time is needed, a written acknowledgement of the receipt of the FOIL request, which includes an approximate date by which the Authority will grant or deny the request, must be sent. If the Authority determines to grant a request in whole or in part, and if circumstances prevent disclosure within 20 business days, the Authority must state in writing both the reason for the inability to do so and a date certain when the request will be granted. More information, including model rules, is available on the Committee on Open Government's website (Freedom of Information Law | Open Government).

Access to meetings and public hearings: A meeting is a gathering of a public body for the purpose of conducting public business, whether in person or by videoconferencing, and includes Authority regular, committee, and subcommittee meetings. The intent of Open Meetings Law (OML) is to promote openness and transparency when Authorities conduct public business. As such, all Authority meetings shall be open to the public, except in limited instances when it is appropriate to enter into executive session to discuss specific permitted matters. See ABO Policy Guidance 09-01: Appropriate Use of Executive Session.

Ensuring openness and transparency of board meetings: The public must be given enough notice and information about scheduled board meetings to allow them to stay reasonably up-to-date on the Authority's activities, and to know what matters the board expects to address at a meeting. Authorities are to ensure the following documents are provided and requirements are met:

- Public Notice: Authorities should post a public notice at least 72 hours in advance of a board meeting. The notice should include the date, time, and location of the meeting, locations where videoconferencing will take place if applicable, and the URL address to view the meeting on the live-streaming platform.

- Agenda: It is expected the Authority post an agenda at least one week in advance of the meeting. Posting the agenda increases transparency by allowing the public to know in advance what matters will be reviewed, discussed and scheduled for a vote.

- Board Materials: A board book or board packet should be provided to members before a meeting and made available to the public. It should include information relevant to the items on the agenda needed for board members to attend board meetings prepared and ready to participate.

    - Common materials include, but are not limited to, the agenda, minutes from the previous meeting, financial statements, management/committee reports, compliance items, updates on legal issues, and background information of discussion items.

- o Any proposed resolution, law, rule, regulation, policy, or any amendment thereto, scheduled to be the subject of discussion by a public body during an open meeting shall be made available, upon request, and to the extent practicable at least 24 hours prior to the meeting during which the records will be discussed.

- Meeting Conduct/Access: The board should ensure all reasonable efforts are made to hold meetings in a facility which can adequately accommodate members of the public, including the needs of physically handicapped persons. Meetings should be scheduled during a reasonable time and should be open to be photographed, broadcast, and webcast so long as it is not disruptive. Meetings should be directed by the board Chair, or the vice Chair if the Chair is unavailable.

- Video Conferencing: There are two ways to use videoconferencing to conduct meetings. One is the "pre-Covid" way, in which there are multiple public locations from which members of the Authority may attend that are connected by videoconferencing. The second way permits a member to participate in a meeting via videoconferencing from a private location due to "extraordinary circumstances" such as a disability which would otherwise prevent the member from physically attending. The use of videoconferencing must comply with the requirements of Section 103-a of POL; See ABO Meetings - Best Practices Guide for Public Authorities.

- Quorum and Voting: A quorum of board members of the Authority must be in attendance before a meeting can begin. If videoconferencing is used, enough board members must be present in the same physical location or locations where the public can attend in order to fulfill the quorum requirements. Members may not attend by teleconference, as voting members and their surroundings must be visible to those in attendance. For this reason, other means of conducting a meeting, such as email or mail, are also impermissible.

  - o Votes may only be held during a meeting at which a quorum is present, either physically or via videoconference. Notwithstanding any provision of law to the contrary, a vote which is not held during a meeting where a quorum is present shall have no effect.

- Executive Session: Since OML requires that public business be conducted where the public can observe, executive sessions shall only be used for the specific, limited purposes listed under Section 105 of POL. Before entering an executive session, the members must take a vote in an open meeting. The motion to enter executive session must provide enough details about the purpose of the meeting and subject matter that will be discussed to make it clear that an executive session is appropriate. See ABO Policy Guidance 09-01: Appropriate Use of Executive Session.

- Meeting Minutes: Minutes shall be taken at all open meetings and are required to include a record or summary of all motions, proposals, resolutions, and any other matter formally voted on, including the results of the vote. Minutes are to be taken at executive session of any action that is taken by formal vote and are required to include a record or summary of the final determination of the action, and the date and results of the vote. The minutes should note which if any members attended remotely via videoconferencing.
    - Minutes of regular open meetings are to be made available and posted within two weeks from the date of the meeting. Unabridged video recordings, unabridged audio recordings, or unabridged written transcripts may be deemed to be meeting minutes for purposes of this requirement.
    - Minutes of executive session are to be made available within one week from the date of the executive session.
    - While OML does not require these minutes be approved within the required time periods, posting in draft form is acceptable.
    - It is expected that meeting minutes be maintained on the Authority's website for at least two years following the date on which the meeting was held.