CLIFTON PARK WATER AUTHORITY
FINANCIAL REPORT
DECEMBER 31, 2025

CLIFTON PARK WATER AUTHORITY
FINANCIAL REPORT

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BUSINESS ADVISORS AND CPAS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Clifton Park Water Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Clifton Park Water Authority and blended component unit Country Knolls Water Works, Inc. (the Authority) as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2025 and 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*GAS*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10, schedule of proportionate share of the net pension liability (asset), the schedule of Authority contributions, and the schedule of changes in total OPEB liability on pages 43-45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2026, on our consideration of the Authority'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 the Authority's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Latham, NY
March 11, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Clifton Park Water Authority (CPWA) and blended component unit Country Knolls Water-Works, Inc. (collectively, Authority) is pleased to present to the reader of the Authority's financial statements, this narrative discussion, overview and analysis of the financial activities of the Authority for the year ended December 31, 2025. The 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 financial statements (presented on pages 11 to 42 to enhance their understanding of the Authority's financial performance).

CPWA PROFILE

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

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

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

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

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

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

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

In order to finance the original purchases of the private water systems and rehabilitate them, CPWA issued bonds in 1993 in the amount of $25,605,000. In 1999, CPWA issued bonds in the amount of $8,915,000 to finance additional system upgrades including new wells, treatment, and storage. In 2003, CPWA refinanced the 1993 Bonds, taking advantage of the lower interest rates available to reduce their annual bond payments by approximately $60,000. In 2009, CPWA refinanced the 1999 Bonds, reducing their annual bond payments by approximately $40,000. At that same time, the Authority was required to create a debt service reserve fund (DSRF) for the 2003 Bonds, due to a credit rating decline of the insurance company providing the surety policy for the bond issue. The amount bonded to fund the DSRF was $130,000, and increased the CPWA's annual bond payments by approximately $30,000. In

2013, the CPWA refinanced the 2003 Bonds, saving the Authority over $140,000 annually. In 2016, the Authority did an advanced refunding of the 2009 Bonds, again taking advantage of lower interest rates, resulting in an annual average savings of roughly $35,000. More detailed information about CPWA's long-term obligations is presented in the notes to the financial statements on pages 23 through 25.

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 2025, totaled 538,120,011 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 2025 the basic service charge was $19.32, 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 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 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 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, 2025. This information should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

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

- The Authority saw metered water sales increase by 2.11% from 2024 to 2025. This was due to a dry spring and summer in 2025. Metered water sales were over budget in 2025 by $210,197. The CPWA reduced capital reserves by approximately ($143,823) in 2025.

- 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 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 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 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 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 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 STATEMENTS OF NET POSITION

	2025	2024	$ Change	% Change
Property and equipment, net	$ 18,750,044	$ 19,250,066	$ (500,022)	-2.60%
Other long term assets	$ 2,326,342	$ 610,817	$ 1,715,525	100.00%
Restricted assets	$ 2,819,686	$ 2,754,454	$ 65,232	2.37%
Current assets	$ 5,024,253	$ 4,600,733	$ 423,520	9.21%
Total assets	$ 28,920,325	$ 27,216,070	$ 1,704,255	6.26%
			$ -	
Deferred outflows of resources	$ 1,995,745	$ 2,268,624	$ (272,879)	-12.03%
Total Assets and Deferred Outflows of Resources	$ 30,916,070	$ 29,484,694	$ (1,431,376)	4.85%
Long-term obligations	$ 2,235,000	$ 3,875,000	$ (1,640,000)	-42.32%
Current liabilities	$ 2,746,682	$ 2,737,097	$ 9,585	0.35%
Other liabilities	$ 7,149,841	$ 6,594,538	$ 555,303	8.42%
Total liabilities	$ 12,131,523	$ 13,206,635	$ (1,075,112)	8.14%
Deferred inflows of resources	$ 3,887,262	$ 2,801,635	$ (1,085,627)	38.75%
Net Position				
Invested in capital assets, net of related debt	$ 14,755,974	$ 13,423,748	$ 1,332,226	9.92%
Restricted for debt service	$ 2,819,686	$ 2,754,454	$ 65,232	2.37%
Unrestricted	$ (2,678,375)	$ (2,701,778)	$ 23,403	-0.87%
Total net position	$ 14,897,285	$ 13,476,424	$ 1,420,861	10.54%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 30,916,070	$ 29,484,694	$ (1,431,376)	4.85%

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

	2025	2024	$ Change	% Change
Operating Revenue	$ 7,222,236	$ 6,952,984	$269,252	3.87%
Non-operating revenue	$ 609,843	$ 541,809	$68,034	12.56%
Total Revenues	$ 7,832,079	$ 7,494,793	$337,286	4.50%
Operating Expenses	$ 5,231,165	$ 4,824,629	$406,536	8.43%
Interest expense	$ 132,951	$ 212,464	($79,513)	-37.42%
Depreciation and amortization	$ 1,132,181	$ 1,125,195	$6,986	0.62%
Other postemployment benefits expense	$ (85,079)	$ (131,968)	46,889	-35.35%
Total Expenses	$ 6,411,218	$ 6,030,320	$380,898	6.32%
Change in net position	$ 1,420,861	$ 1,464,473	$(43,612)	-2.98%
NET POSITION, beginning of the year as previously stated	$ 13,476,424	$ 12,011,951	$1,464,473	12.19%
NET POSITION, end of year	$ 14,897,285	$13,476,424	$1,420,861	10.54%

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 2025 budget were $6,807,750, with 2025 total actual expenditures of $7,847,724. This resulted in CPWA being over budget by $1,039,974, or 15.28% of the total adopted budget. The revenues in the adopted 2025 budget were $7,183,217, with total actual cash revenues of $7,689,101. This resulted in CPWA being over budget in revenues by $505,884, or -7.04% of the adopted budget. From a cash perspective, CPWA received approximately -$158,623 less in cash for services rendered than what was paid for associated expenditures (including debt payments) in 2025.

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

BUDGETARY HIGHLIGHTS

Capital assets purchased during the year do not appear on the 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 statement of revenues, expenses, and change in net position.

GENERAL TRENDS AND SIGNIFICANT EVENTS

CPWA's 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 2025 CPWA added 76 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 2025, the SCWA water rate was $2.436 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 2025 was $19.32 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 2025, but increased seasonal demand resulted in water purchase totaling $1,668,982, resulting in an expense over budget of $568,982.

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, 2025 for other postemployment benefits at $5,939,580.

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, 2025, 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 25.

FINAL COMMENTS

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

CLIFTON PARK WATER AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS		
PROPERTY AND EQUIPMENT, AT COST		
Structures	$ 1,091,271	$ 1,091,271
Pipes and appurtenances	28,876,229	28,799,876
Machinery and equipment	13,168,376	12,743,006
Office equipment and furniture	136,425	136,425
Vehicles	781,019	755,938
	44,053,320	43,526,516
Less accumulated depreciation	(25,796,406)	(24,734,505)
	18,256,914	18,792,011
Construction work-in-progress	35,075	-
Land	458,055	458,055
Net Property and Equipment	18,750,044	19,250,066
OTHER LONG-TERM ASSETS		
Lease assets, net	564,426	610,817
Lease receivable, net of current portion	1,709,629	-
Interest receivable	52,287	-
Total Other Long-Term Assets	2,326,342	610,817
RESTRICTED ASSETS		
Cash and cash equivalents	2,819,686	2,754,454
Total Restricted Assets	2,819,686	2,754,454
CURRENT ASSETS		
Cash and cash equivalents	1,741,183	1,869,846
Investments	1,794,307	1,795,063
Accounts receivable, net	165,814	125,127
Unbilled water sales receivable	756,118	723,014
Prepaid expenses	35,816	43,486
Meter inventory	22,553	44,197
Lease receivable	508,462	-
Total Current Assets	5,024,253	4,600,733
TOTAL ASSETS	28,920,325	27,216,070
DEFERRED OUTFLOWS OF RESOURCES	1,995,745	2,268,624
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 30,916,070	$ 29,484,694

CLIFTON PARK WATER AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
LONG-TERM OBLIGATIONS, LESS CURRENT INSTALLMENTS	$ 2,235,000	$ 3,875,000
CURRENT LIABILITIES		
Accounts payable	427,124	298,766
Accrued interest payable	39,728	58,491
Accrued expenses	601,463	557,722
Accrued consumption payable	-	36,762
Current installments of long-term obligations	1,640,000	1,750,000
Retainage payable	1,754	-
Current portion of operating lease liability	36,613	35,356
Total Current Liabilities	2,746,682	2,737,097
OTHER LIABILITIES		
Net pension liability - proportionate share	635,556	545,262
Other post-employment benefits	5,939,580	5,436,807
Interest payable of operating lease liability	19,275	20,426
Long-term portion of operating lease liability	555,430	592,043
Total Other Liabilities	7,149,841	6,594,538
TOTAL LIABILITIES	12,131,523	13,206,635
DEFERRED INFLOWS OF RESOURCES	3,887,262	2,801,635
NET POSITION		
Invested in capital assets, net of related debt	14,755,974	13,423,748
Restricted for debt service	2,819,686	2,754,454
Unrestricted	(2,678,375)	(2,701,778)
Total Net Position	14,897,285	13,476,424
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 30,916,070	$ 29,484,694

See accompanying notes to financial statements.

CLIFTON PARK WATER AUTHORITY
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUE		
Metered water sales	$ 5,287,338	$ 5,183,992
Basic service charge	1,203,934	1,077,265
Hydrant fees	614,332	603,399
Hook-up fees	83,108	78,500
Other fees	33,524	9,828
Total Operating Revenues	7,222,236	6,952,984
OPERATING EXPENSES		
Operations and maintenance	4,206,866	3,809,574
Administrative	1,024,299	1,015,055
Total Operating Expenses	5,231,165	4,824,629
Net Operating revenue before depreciation and amortization	1,991,071	2,128,355
Depreciation and amortization	1,132,181	1,125,195
Net Operating Revenue	858,890	1,003,160
OTHER REVENUE (EXPENSE)		
Investment earnings	228,451	243,105
Miscellaneous revenue	320,006	207,113
Lease interest revenue	71,271	(30,052)
Grant revenue	-	125,381
Gain on sale of property	-	7,400
Lease amortization expense	(9,885)	(11,138)
Interest expense	(132,951)	(212,464)
Other post-employment benefit expense	85,079	131,968
Total Other Revenue (Expense)	561,971	461,313
Change in Net Position	1,420,861	1,464,473
NET POSITION, Beginning of year	13,476,424	12,011,951
NET POSITION, END OF YEAR	$ 14,897,285	$ 13,476,424

See accompanying notes to financial statements.

CLIFTON PARK WATER AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Received from customers	$ 7,460,650	$ 7,319,421
Paid to suppliers and vendors for goods and services	(2,956,004)	(2,668,044)
Paid to employees including benefits	(2,227,943)	(2,111,116)
	2,276,703	2,540,261
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES		
Principal payments on long-term obligations	(1,750,000)	(1,670,000)
Interest paid	(233,963)	(313,412)
Proceeds from investments	12,600,000	7,056,250
Purchase of investments	(12,599,245)	(8,108,511)
	(1,983,208)	(3,035,673)
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase and construction of capital assets	(585,378)	(606,223)
Proceeds from sale of capital assets	-	7,400
	(585,378)	(598,823)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Transfers (to) from restricted cash and investment accounts, net	(65,232)	(137,855)
Investment earnings received	228,451	243,105
	163,219	105,250
Net Decrease in cash and cash equivalents	(128,664)	(988,985)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,869,847	2,858,832
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,741,183	$ 1,869,847
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating revenue	$ 858,890	$ 1,003,160
Adjustments to reconcile operating revenue to net cash provided by operating activities		
Depreciation and amortization	1,132,181	1,125,195
Miscellaneous (revenue) expense	381,392	291,304
Bad debt expense (recovery)	7,801	122
Decrease (increase) in		
Accounts receivable	(48,488)	76,974
Lease receivable	(2,218,091)	534,067
Lease asset, net	46,391	46,391
Interest receivable	(52,287)	12,590
Unbilled water sales receivable	(33,104)	(43,031)
Prepaid expenses	7,670	(3,145)
Meter inventory	21,644	(5,285)
Deferred outflows	179,940	456,179
Increase (decrease) in		
Accounts payable	128,358	45,704
Accrued expenses	6,979	73,688
Deferred inflows - leases	2,199,107	(516,603)
Lease liability	(35,356)	(34,141)
Interest payable	(1,151)	(1,111)
Net pension liabilty	90,294	(321,886)
Other post-employment benefits	587,852	(153,226)
Deferred inflows	(985,073)	2,671
Retainage payable	1,754	(49,356)
	$ 2,276,703	$ 2,540,261

See accompanying notes to financial statements.

1. SUMMARY OF ACCOUNTING POLICIES

Organization and Presentation

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

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 water-works corporation organized under the New York State Transportation Corporation Law.

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

Accounting Method

The Authority's 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 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 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, 2025 and 2024 was $1,085,400 and $1,078,414 , 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, 2025 and 2024.

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, 2025 and 2024, 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, 2025 and 2024 was $7,801 and $122, 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, 2025, 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, 2025, the Authority implemented the following standards.

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

Future Changes in Accounting Standards

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.

GASB has issued Statement No. 105 - *Subsequent Events*, effective for the year ending December 31, 2027.

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, 2025 and 2024.

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

2. INVESTMENTS

Fair Value Measurement of Financial Instruments

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

Fair values of assets measured on a recurring basis at December 31, 2025 and 2024 are as follows:

2025	**Fair Value**	**Significant Other Observable Inputs (Level 2)**
Certificates of Deposit	$ -	$ -
U.S. Treasury Notes	1,794,307	1,794,307
Total Assets at Fair Value	$ 1,794,307	$ 1,794,307

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

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, 2025 and 2024, 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, 2025	Additions	Disposals/ Transfers	Balance December 31, 2025
Structures	$ 1,091,271	$ -	$ -	$ 1,091,271
Pipes and Appurtenances	28,799,876	76,353	-	28,876,229
Machinery and Equipment	12,743,006	426,447	1,077	13,168,376
Office Equipment and Furniture	136,425	-	-	136,425
Vehicles	755,938	48,580	23,499	781,019
Subtotal	43,526,516	551,380	24,576	44,053,320
Less accumulated depreciation	24,734,506	1,085,400	23,499	25,796,407
Subtotal	18,792,010	(534,020)	1,077	18,256,913
Construction work-in-progress	-	37,600	2,525	35,075
Land	458,055	-	-	458,055
Total Property and Equipment, Net	$ 19,250,066	$ (496,420)	$ 3,602	$ 18,750,044

3. PROPERTY AND EQUIPMENT, AT COST

	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

4. DEFERRED OUTFLOWS OF RESOURCES

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

	2025	2024
Authority establishment costs	$ 1,630,470	$ 1,630,470
GASB 68 - pension	512,015	612,533
GASB 75 - OPEB	1,229,140	1,308,562
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
	4,046,091	4,226,031
Less accumulated amortization	2,050,346	1,957,407
	$ 1,995,745	$ 2,268,624

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, 2025 and 2024 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, 2025 and 2024 was $45,247 and $43,647, 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, 2025 and 2024 was $911 and $880, respectively.

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

2026	$ 94,633
2027	64,233
2028	51,425
2029	44,293
2030	-
Total	$ 254,584

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. 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 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 $537,402 and $506,395 at December 31, 2025 and 2024, 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 $299,292 and $281,518 at December 31, 2025 and 2024, respectively. These amounts are a part of the unpaid vacation and sick leave referenced in the previous paragraph.

6. LONG-TERM OBLIGATIONS

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

Serial Bonds Payable

Water System Revenue Refunding Bonds, Series 2013

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

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

Optional Redemption

The Series 2013 Bonds maturing on and after October 1, 2024, are subject to redemption prior to maturity at the option of CPWA on or after October 1, 2023, in whole or in part at any time, from maturities selected by CPWA, at the respective redemption price of 100% of the principal amount of the Series 2013 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date. The Series 2013 Bonds have not been redeemed as of the year ending December 31, 2025.

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.

6. LONG-TERM OBLIGATIONS

Advance Refunding Bonds, Series 2016

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, 2025, $2,770,000 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.

Interest expense on all debt obligations was $86,793 and $167,937 for the years ended December 31, 2025 and 2024, respectively.

	2024	Increase	Decrease	2025
Water System Revenue Refunding Bonds, Series 2013	$ 3,075,000	$ -	$ 415,000	$ 2,660,000
Advance Refunding Bonds, Series 2016	2,550,000	-	1,335,000	1,215,000
Operating Lease Liability	627,399	-	35,356	592,043
Total Long-Term Obligations	$ 6,252,399	$ -	$ 1,785,356	$ 4,467,043

	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

6. LONG-TERM OBLIGATIONS

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

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

	Serial Bonds 2013	Serial Bonds 2016	Serial Bonds Interest	Premium	Total
For the year ending December 31,					
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
2030	-	-	-	-	-
	$ 2,660,000	$ 1,215,000	$ 243,960	$ (270,346)	$ 3,848,614

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, 2025 and 2024, the Authority met the covenant.

7. DEFERRED INFLOWS OF RESOURCES

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

	2025	2024
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	28,004	313,914
GASB 75 - OPEB	1,347,908	2,047,071
Leases	2,199,108	1
	5,215,130	4,001,096
Less accumulated amortization	1,327,868	1,199,461
	$ 3,887,262	$ 2,801,635

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, 2025 and 2024 was $128,406 and $125,613, respectively, and is included as a component of interest expense.

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

2026	$ 119,819
2027	65,002
2028	67,385
2029	60,039
Thereafter	-
Total	$ 312,245

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 2025 and 2024, CPWA reimbursed the Town of Clifton Park (Town) $61,415 and $63,764, respectively, for operating costs incurred. CPWA owed the Town $10,651 and $10,008 at December 31, 2025 and 2024, respectively.

For the years ended December 31, 2025 and 2024, the Town purchased water for $22,120 and $24,921 from CPWA.

9. COMMITMENTS AND CONTINGENCIES

Operating Lease Liability-Preserve Lease

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

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

9. COMMITMENTS AND CONTINGENCIES

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

Lease payments are to be made on an annual basis, within thirty days following the close of each year. The rental payment for the year shall be equivalent to the minimum rental rate plus the value of the cumulative volume of water pumped during that year. No volume of water pumped during 2025 and 2024 exceeded the minimum rental rate. Total payments under the lease were $61,505 and $61,958 for 2025 and 2024, respectively, with $21,164 and $22,417 of this payment representing interest for 2025 and 2024, respectively.

Operating Lease Liability-Preserve Lease

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

	Principal	Interest
2026	$ 36,613	$ 21,057
2027	37,915	19,755
2028	39,264	18,406
2029	40,660	17,010
2030	42,106	15,564
5 years ending 2035	234,089	54,261
5 years ending 2040	161,396	11,614
Totals	$ 592,043	$ 157,667

Lease agreement Summary:

	Date	Payment Term	Payment Amount	Interest Rate	Total Lease Liability	Balance December 31, 2025
Land	2/1/1998	40 years	$57,670	3.50%	$ 749,990	$ 592,043

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 $1,241,999 and $873,080 for the years ended December 31, 2025 and 2024, 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. Each contract notes that the extensions are automatic unless the Lessee gives Lessor written notice of its intention not to extend at least six months prior to the end of the then-current term. As CPWA has not received notice to not extend, the leases have been extended starting in 2026. The amount of rental income recorded in miscellaneous revenue was $156,140 and $145,036 for the years ended December 31, 2025 and 2024, 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.

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.

10. PENSION

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:

2025	$	235,524
2024		207,600
2023		163,589

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, 2025 and 2024, 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, 2025 and March 31, 2024. 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, 2024	April 1, 2023
Net pension asset/(liability)	$ (635,556)	$ (545,262)
Authority's portion of the Plan's total net pension asset/(liability)	0.0037068%	0.0037032%

Pension Expense

For the years ended December 31, 2025 and 2024, the Authority recognized its proportionate share of pension expense of $139,121 and $234,971, respectively.

10. PENSION

Deferred Outflows and Inflows of Resources Related to Pension

At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 157,749	$ 7,312	$ 175,629	$ 14,739
Changes of assumptions	26,654	-	206,151	-
Net difference between projected and actual earnings on pension plan investments	49,864	-	-	266,358
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,224	20,692	23,153	32,817
Contributions subsequent to the measurement date	235,524	-	207,600	-
Total	$ 512,015	$ 28,004	$ 612,533	$ 313,914

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, 2026 and 2025, 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:

2026	$	115,924
2027		168,616
2028		(48,907)
2029		12,854
2030		-

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, 2025	March 31, 2024
Actuarial valuation date	April 1, 2024	April 1, 2023
Inflation rate	5.90%	5.90%
Salary Scale	4.30%	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	
	2025	**2024**
Asset Class		
Domestic equities	3.54%	4.00%
International equities	6.57	6.65
Private equity	7.25	7.25
Real estate	4.95	4.60
Opportunistic / ARS Portfolio	5.25	5.25
Credit	5.40	5.40
Real assets	5.55	5.79
Fixed Income	2.00	1.50
Cash	0.25	0.25

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for the measurement dates March 31, 2025 and 2024, 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 2025 and 2024, 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, 2025	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset/(liability)	$ (1,839,378)	$ (635,556)	$ 369,637

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

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, 2025 and 2024 was $140,426 and $226,502, respectively.

Payables/Prepayments to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31^{st}. Payment for the System's year ending March 31, 2024 and 2023 were made by the Authority in December 2025 and 2024. As such, no amounts have been accrued at December 31, 2025 and 2024.

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 $94,000 and $75,000 for the years ended December 31, 2025 and 2024, respectively.

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

Employees Covered by Benefit Terms – At December 31, 2025, 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, 2025; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024.

11. OTHER POST-EMPLOYMENT BENEFITS

Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2025 and 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2025	**2024**
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)	4.43%	4.28%
Healthcare cost trend rates		
Pre-Medicare	7.0% for 2025 decreasing 0.5% per year to an ultimate rate of 4.5% by 2026.	7.0% for 2024 decreasing 0.5% per year to an ultimate rate of 4.5% by 2025.
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, 2025 were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at December 31, 2024	$ 5,436,807	$ -	$ 5,436,807
Changes for the year:			
Service cost	109,972	-	109,972
Interest	235,375	-	235,375
Difference between expected and actual experience	375,280	-	375,280
Contributions - employer	-	-	-
Net investment income	-	-	-
Changes of assumptions and difference between Actual and Expected Experience	(123,115)	-	(123,115)
Benefit payments	(94,739)	-	(94,739)
Net changes	502,773	-	502,773
Balances December 31, 2025	$ 5,939,580	$ -	$ 5,939,580

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

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, 2025, 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 (3.43%) or 1 percentage point higher (5.43%) than the current discount rate:

	1% Decrease (3.43%)	Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB Liability	$ 6,952,584	$ 5,939,580	$ 5,135,333

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

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, 2025, 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	$ 5,131,267	$ 5,939,580	$ 6,963,927

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, 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

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

For the years ended December 31, 2025 and 2024, the Authority recognized OPEB expense (credit) of $(131,968) and $(92,470). The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 476,113	$ 363,247
Amounts recognized in OPEB expense	-	
Changes of assumptions	753,027	984,661
Contributions subsequent to the measurement period	-	-
Total	$ 1,229,140	$ 1,347,908

11. OTHER POST-EMPLOYMENT BENEFITS

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

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

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,	
2026	$ (367,575)
2027	199,833
2028	(80,770)
2029	129,744
2030	-
Thereafter	-

12. LEASE ASSETS

A summary of the lease asset activity during the years ended December 31, 2025 and 2024 are as follows:

December 31, 2025

	Balance January 1	Additions	Deletions	Balance December 31
Lease Asset				
Land	$ 749,990	$ -	$ -	$ 749,990
Less accumlated amortization	139,173	46,391	-	185,564
Total Lease Assets, Net	$ 610,817	$ 46,391	$ -	$ 564,426

12. LEASE ASSETS

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

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

13. LEASE RECEIVABLE

CPWA is reporting a lease receivable of $2,218,091 and $-0- at December 31, 2025 and 2024, respectively. For the years ended 2025 and 2024, CPWA reported lease revenue of $2,199,108 and $1 included in hydrant fees and interest revenue of $84,498 and $6,406,respectively, related to lease payments received. This lease is summarized as follows:

December 31, 2025

	Lease Receivable	Lease Revenue
Lease		
Towns of Malta and Clifton Park	$ 2,218,091	$ 549,777

December 31, 2024

	Lease Receivable	Lease Revenue
Lease		
Towns of Malta and Clifton Park	$ -	$ -

The towns and CPWA entered into a five-year lease on January 1, 2025 for the lease of fire hydrants. Based on this agreement, CPWA is receiving annual payments through 2029 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 $260 in 2025 and increases by approximately $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 2025 and 2024 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 11, 2026 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. BLENDED COMPONENT UNIT

The following is a summary of financial information of County Knolls for the years ended 2025 and 2024, respectively:

December 31, 2025

Total Assets	$ 207,011
Total Liabilities	275
Retained Earnings	$ 206,736
Total Revenue	$ -
Total Expenses	17,364
Change in Retained Earnings	$ (17,364)

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)

CLIFTON PARK WATER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2025

ERS Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.003707%	0.003703%	0.0040438%	0.0040949%	0.0040774%	0.0042851%	0.0044289%	0.0047426%	0.0045786%	0.0046758%
Proportionate share of the net pension liability (asset)	$ 635,556	$ 545,262	$ 867,148	$ (334,744)	$ 4,062	$ 1,134,723	$ 313,804	$ 153,064	$ 430,214	$ 750,484
Covered-employee payroll	$ 1,270,045	$ 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
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	50.04%	45.18%	76.16%	-29.65%	0.38%	109.08%	30.39%	14.53%	40.40%	75.40%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

CLIFTON PARK WATER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

ERS Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 207,600	$ 163,588	$ 142,431	$ 190,255	$ 163,832	$ 160,480	$ 164,794	$ 168,644	$ 157,536	$ 186,777
Contributions in relation to the contractually required contribution	(207,600)	(163,588)	(142,431)	(190,255)	(163,832)	(160,480)	(164,794)	(168,644)	(157,536)	(186,777)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 1,270,045	$ 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
Contributions as a percentage of covered-employee payroll	16.35%	13.55%	12.51%	16.85%	15.19%	15.43%	15.96%	16.01%	14.79%	18.76%

CLIFTON PARK WATER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2025
Fiscal Year Ending *

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Measurement date	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Service cost	$ 109,972	$ 98,152	$ 83,738	$ 208,403	$ 226,545	$ 188,627	$ 152,325	$ 154,746
Interest	235,375	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	375,280	(123,487)	43,248	(451,855)	(395,428)	(113,915)	436,120	(66,046)
Change in assumptions and other inputs	(123,115)	(412,584)	308,405	(2,385,199)	(430,875)	1,796,043	496,793	-
Benefit payments	(94,739)	(74,662)	(34,956)	(29,079)	(24,691)	(25,333)	(21,758)	(10,291)
Net Change in Total OPEB Liability	502,773	(285,194)	619,595	(2,487,289)	(469,152)	2,041,185	1,237,097	243,375
Total OPEB Liability - beginning	5,436,807	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	$ 5,939,580	$ 5,436,807	$ 5,722,001	$ 5,102,406	$ 7,589,695	$ 8,058,847	$ 6,017,662	$ 4,780,565
Covered-employee payroll	$ 1,309,650	$ 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	453.52%	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 financial statements of the Clifton Park Water Authority (Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 11, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the 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 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 our 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 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 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 11, 2026