

**OYSTER BAY SEWER DISTRICT**  
**(A Component Unit of the Town of Oyster Bay, NY)**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**(WITH INDEPENDENT AUDITORS' REPORT)**

Year Ended December 31, 2023

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## Independent Auditors' Report

Board of Commissioners  
Oyster Bay Sewer District  
Oyster Bay, New York

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Oyster Bay Sewer District, (the "District"), a component unit of the Town of Oyster Bay, New York as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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, 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

*PKF O'Connor Davies, LLP*

Hauppauge, New York  
April 11, 2024

**REQUIRED SUPPLEMENTARY INFORMATION**

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2023

Our discussion and analysis of the Oyster Bay Sewer District (the "District"), a component unit of the Town of Oyster Bay, New York, financial performance provides an overview of the District's financial activities for the year ended December 31, 2023. Please read it in conjunction with the District's financial statements and notes to financial statements. Management's Discussion and Analysis is Required Supplementary Information specified by the Governmental Accounting Standards Board in their Statement No. 34.

**USING THIS ANNUAL REPORT**

This annual report consists of two sets of financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities - Government-Wide provide information about the activities of the District as a whole and present a longer-term view of the District's finances. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Governmental Fund Financial Statements

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds tell how services were financed in the short term as well as what remains for future spending. Governmental fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's general fund and capital projects fund. The District's basic services are reported in funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation at the bottom of the fund financial statements.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2023

**CONDENSED FINANCIAL INFORMATION**

Our analysis below focuses on the net position and changes in net position as set forth in the following condensed financial statement:

**Statement of Net Position as of December 31,**

	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 1,169,269	\$ 822,228
Noncurrent assets	10,131,746	11,105,182
Total Assets	<u>11,301,015</u>	<u>11,927,410</u>
Deferred Outflows of Resources	<u>3,753,593</u>	<u>3,541,091</u>
Liabilities		
Current liabilities	873,200	580,016
Noncurrent liabilities	12,294,309	11,394,761
Total Liabilities	<u>13,167,509</u>	<u>11,974,777</u>
Deferred Inflows of Resources	<u>3,710,069</u>	<u>5,085,762</u>
Net Position		
Net investment in capital assets	9,816,646	10,003,872
Unrestricted	<u>(11,639,616)</u>	<u>(11,595,910)</u>
Total Net Position	<u>\$ (1,822,970)</u>	<u>\$ (1,592,038)</u>

**Changes in Net Position**

**for the years ended December 31,**

	<u>2023</u>	<u>2022</u>
General revenues		
Real property taxes	\$ 4,048,394	\$ 3,639,966
Real property tax items	183,020	174,460
Sanitary sewer charges	690,710	579,924
Use of money and property	78,028	18,831
Sale of property and compensation for loss	3,005	-0-
Miscellaneous local sources	33,467	28,041
Total General Revenues	5,036,624	4,441,222
Expenses - sanitary sewer services	<u>5,267,556</u>	<u>4,743,537</u>
Changes in net position	<u>\$ (230,932)</u>	<u>\$ (302,315)</u>



**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2023

**FINANCIAL HIGHLIGHTS**

The District's net position as of December 31, 2023 was (\$1,822,970), a decrease of \$230,932 from the prior year. Of the District's total net position, \$9,816,646 was net investment in capital assets and (\$11,639,616) represents unrestricted deficit.

The deficit balance of unrestricted net position does not necessarily indicate financial stress. The deficit balance of unrestricted net position arose primarily because of certain factors. The District, in an effort to maintain present tax rates, used up cash reserves and borrowed funds as needed. In addition, long-term liabilities which include compensated absences, general obligation bonds, and other postemployment benefits payable, will be funded through future budgetary appropriations when they become payable in future periods. In addition, the District has outstanding \$320,842 of general obligation bonds, inclusive of premiums.

The District committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the District has recognized substantial liabilities in the government-wide financial statements for these benefits. As of December 31, 2023, the District had liabilities of \$10,778,081 for other postemployment benefits in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB). Due to investment losses as of the plan's year end of March 31, 2023, the District reported its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS") of \$1,167,091 at December 31, 2023 in accordance with the provision of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". More detailed information about the District's OPEB and pension reporting is presented in Notes G and F, respectively.

General revenues were \$5,036,624 in the current year, increasing \$595,402 over the prior year. This increase was attributable to the Ad Valorem Tax increasing by \$408,428, or 10% over the prior year as the District elected to pierce the tax cap for 2023. Outside District sewer charges also increased over the prior year by \$102,975 due to an increase in assessed rates. Sanitary sewer expenses increased \$524,019, or 11% over the prior year, from \$4,743,537 to \$5,267,556 as of December 31, 2023, primarily related to an increase in employee benefit costs of \$232,655 as well as an increase in operating costs related to chloride and chemical, sludge removal and repairs and maintenance of \$60,359, \$57,980 and \$35,577, respectively.

**BUDGETARY HIGHLIGHTS**

The District reported 2023 budget and actual in the general fund as follows:

	Original Budget	Final Budget	Actual Amounts	Variance
Total revenues	\$ 4,804,482	\$ 4,804,482	\$ 5,010,428	\$ 205,946
Total expenditures	(4,614,368)	(4,736,678)	(4,603,768)	132,910
Other uses:				
Transfers - capital projects	(388,700)	(266,390)	(53,086)	213,304
Net change in fund balance	<u>\$ (198,586)</u>	<u>\$ (198,586)</u>	<u>\$ 353,574</u>	<u>\$ 552,160</u>

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2023

**BUDGETARY HIGHLIGHTS** (continued)

The general fund reported revenues in excess of expenditures and other uses of \$353,574 increasing the fund balance to \$883,828. In the 2023 budget, the District appropriated expenditures and other uses in excess of estimated revenues in the amount of \$198,586 by appropriating unassigned fund balance. Actual revenues were \$205,946 higher than budgeted and expenditures were \$132,910 lower than budgeted. Other financing uses were lower than the amount budgeted by \$213,304.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District has been financing all capital expenditures from proceeds of general obligation bonds and annual budgetary appropriations. During 2023, the District replaced the rooftop air conditioning unit at a cost of \$29,250, a new flygt pump at a cost of \$9,081, a transmitter at a cost of \$5,842 and manhole castings at a cost of \$4,650. A total of \$4,263 was spent to purchase new equipment. Additional information on the District's capital assets can be found in Note D to the financial statements.

As of December 31, 2023, the District had outstanding \$294,646 of general obligation bonds. Additional information on the District's long-term debt can be found in Note E to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District derives substantially all revenues from real property taxes and charges to properties outside the District, which is based on the properties' assessed valuation. In addition to the capital improvements described above the District is committed to the long-term maintenance and upgrades of the sanitary sewer system.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. The 2% cap can be increased by available carryover from prior years. For fiscal years beginning in 2012 no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less), plus available carryover; however, local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. The Board of Commissioners approves the annual budget, as well as the property tax levy to be assessed each year. On September 20, 2023, the Board of Commissioners adopted the 2024 Budget. The 2024 budget exceeds the tax levy cap.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Treasurer at Oyster Bay Sewer District, 15 Bay Avenue, Oyster Bay, New York 11771.

## **BASIC FINANCIAL STATEMENTS**

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
December 31, 2023

**Assets**

Current assets:

Cash and investments	\$ 956,708
Due from Town of Oyster Bay	95,519
Prepays	117,042
Total current assets	1,169,269

Noncurrent assets:

Non-depreciable capital assets	33,840
Depreciable capital assets, net of depreciation	10,097,906
Total noncurrent assets	10,131,746

	Total Assets	11,301,015
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**Deferred Outflows of Resources**

Pension related	973,521
Other postemployment benefit related	2,768,489
Deferred loss on refunding	11,583
Total Deferred Outflows of Resources	3,753,593

**Liabilities**

Current liabilities:

Accounts payable and accrued expenses	201,650
Accrued interest payable	5,525
Developer deposits	16,349

Noncurrent liabilities due within one year:

Compensated absences	33,898
General obligation bonds payable	320,842
Other postemployment benefits payable	294,936
Total current liabilities	873,200

Noncurrent liabilities:

Compensated absences	644,073
Other postemployment benefits payable	10,483,145
Net pension liability - proportionate share	1,167,091
Total noncurrent liabilities	12,294,309

	Total Liabilities	13,167,509
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**Deferred Inflows of Resources**

Pension related	62,054
Other postemployment benefit related	3,648,015
Total Deferred Inflows of Resources	3,710,069

**Net Position (Deficit)**

Net investment in capital assets	9,816,646
Unrestricted	(11,639,616)
Total Net Position (Deficit)	\$ (1,822,970)

See notes to financial statements.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2023

**Governmental Activities**

<b>Expenses - sanitary sewer services</b>		<u>\$ 5,267,556</u>
	Net Program Expense	<u>5,267,556</u>
 <b>General revenues</b>		
Real property taxes		4,048,394
Real property tax items		183,020
Sanitary sewer charges		690,710
Use of money and property		78,028
Sale of property and compensation for loss		3,005
Miscellaneous local sources		<u>33,467</u>
	Total General Revenues	<u>5,036,624</u>
	Change in net position	(230,932)
<b>Net position (deficit) - beginning of the year</b>		<u>(1,592,038)</u>
 <b>Net position (deficit) - end of the year</b>		 <u><u>\$ (1,822,970)</u></u>

See notes to financial statements.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2023

<b>ASSETS</b>	General	Capital Projects	Total
Cash and investments	\$ 933,982	\$ 22,726	\$ 956,708
Due from other fund		13,224	13,224
Due from Town of Oyster Bay	95,519		95,519
Prepays	63,360		63,360
Total Assets	\$ 1,092,861	\$ 35,950	\$ 1,128,811
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 195,809	\$ 5,841	\$ 201,650
Developer deposits		16,349	16,349
Due to other fund	13,224		13,224
Total Liabilities	209,033	22,190	231,223
<b>FUND BALANCE</b>			
Nonspendable	63,360		63,360
Assigned	181,275	13,760	195,035
Unassigned	639,193		639,193
Total Fund Balances	883,828	13,760	897,588
Total Liabilities and Fund Balances	\$ 1,092,861	\$ 35,950	\$ 1,128,811

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

<b>Total Governmental Fund Balances</b>	\$ 897,588
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,131,746
Prepaid assets that are not current financial resources, and therefore, are not reported in the funds.	53,682
Certain amounts reported for the District's deferred outflows for pensions and other postemployment benefits are not considered current financial resources, and therefore, not reported in the funds.	3,742,010
Government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position:	
Deferred loss on refunding	11,583
Premiums on debt issuance	(26,196)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:	
Accrued interest payable	(5,525)
Compensated absences	(677,971)
General obligation bonds payable	(294,646)
Other postemployment benefits	(10,778,081)
Net pension liability - proportionate share	(1,167,091)
Amounts reported for the District's deferred inflows for pensions and other postemployment benefits are not considered current financial resources, and therefore, are not reported in the funds.	(3,710,069)
<b>Net Position of Governmental Activities</b>	<b>\$ (1,822,970)</b>

See notes to financial statements.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2023

<b>Revenues</b>	General	Capital Projects	Total
Real property taxes	\$ 4,048,394		\$ 4,048,394
Real property tax items	183,020		183,020
Departmental income	690,710		690,710
Use of money and property	78,028		78,028
Sale of property and compensation for loss	3,005		3,005
Miscellaneous local sources	7,271		7,271
Total Revenues	5,010,428	\$ -0-	5,010,428
<b>Expenditures</b>			
Current:			
Home and Community Services:			
Administration	578,057		578,057
Sewage treatment and disposal	2,383,217		2,383,217
Employee benefits	1,334,025		1,334,025
Debt Service	308,469		308,469
Capital outlay		53,086	53,086
Total Expenditures	4,603,768	53,086	4,656,854
<b>Other Sources and (Uses) of Funds</b>			
Interfund transfers	(53,086)	53,086	-0-
Total Other Sources and (Uses) of Funds	(53,086)	53,086	-0-
Net Change in Fund Balances	353,574	-0-	353,574
<b>Fund Balances at Beginning of Year</b>	530,254	13,760	544,014
Fund Balances at End of Year	\$ 883,828	\$ 13,760	\$ 897,588
<b>Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities</b>			
<b>Net Changes in Fund Balances - Total Governmental Funds</b>			\$ 353,574
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures while in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:			
Capital outlay			53,086
Depreciation expense			(589,783)
The issuance of long-term debt provide current financial resources, while the repayment of bond principal consumes the current financial resources in the governmental funds:			
Payment of bond principal			279,749
Premiums on obligations			26,196
Amortization of deferred loss on refunding			(11,582)
Some revenues and expenses reported in the Statement of Activities are not reported as revenues or expenditures in the governmental funds:			
Prepaid insurance			7,340
Accrued interest			5,248
Compensated absences			(49,454)
Other postemployment benefits			(109,305)
Pension related items			(196,001)
<b>Change in Net Position of Governmental Activities</b>			\$ (230,932)

See notes to financial statements.

**OYSTER BAY SEWER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**A. Summary of Significant Accounting Policies**

The Oyster Bay Sewer District (the "District") is governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the District for terms of three years. The primary function of the District is to provide sewer service to district residents.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District's more significant accounting policies are described below.

**1. Financial Reporting Entity**

The Town of Oyster Bay, New York is financially accountable, as a result of fiscal dependency, for the Oyster Bay Sewer District. Long-term debt of the District, which is backed by the full faith and credit of the Town, and other fiscal matters result in a fiscal interdependency with the Town. Accordingly, the District has been determined to be a component unit of the Town of Oyster Bay, New York.

**2. Basis of Presentation**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

**Government-wide Financial Statements**

The government-wide financial statements reports information on the District as a whole.

In the government-wide Statement of Net Position, the District's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of the District's function (home and community service - sewer services), which are otherwise supported by general revenues (real property taxes, sanitary sewer charges, etc.). Gross expenses (including depreciation expense) are reduced by related program revenues to produce the net cost of the program. Program revenues include charges for services, contributions and may also include operating and capital grants that are directly associated with the program. The net cost is normally covered by general revenues. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**Fund Financial Statements**

The fund financial statements focus on the major funds. The District considers all funds to be major funds.



**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**A. Summary of Significant Accounting Policies** (continued)

**2. Basis of Presentation** (continued)

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Accordingly, the District maintains the following funds:

**Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Governmental funds are further classified as major funds.

The District reports the following major governmental funds:

General Fund - is the principal operating fund of the District. This fund is used to account for and report all financial resources not accounted for and reported in other funds.

Capital Projects Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**3. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Interfund transactions have been eliminated from the government-wide financial statements.

In the fund financial statements, the governmental activities use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end except for grant revenue pursuant to a reimbursable grant arrangement which is recorded when expenditure is incurred.

**OYSTER BAY SEWER DISTRICT**  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**A. Summary of Significant Accounting Policies** (continued)

**3. Measurement Focus/Basis of Accounting** (continued)

Expenditures are recorded when incurred except that:

- a. Expenditures for prepaid expenses, with the exception of retirement expenditures, are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as expenditures when paid.

**4. Property Taxes**

Property taxes are collected by the Town of Oyster Bay Receiver of Taxes on behalf of the District. The Town of Oyster Bay Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts. Town and County taxes are levied on January 1st, and are due in two installments payable by February 10th and August 10th. The Town remits 100% of the real property tax levy to the District. Responsibility for collection of unpaid taxes is assumed by Nassau County.

**5. Prepaids**

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

**6. Investments**

Investments are stated at fair value.

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

Interfund receivable and payable balances for the District represent primarily the payment of financing sources and uses that will be reimbursed subsequent to year end. Interfund transfer balances represent the funding of capital expenditures through general fund appropriations.

**OYSTER BAY SEWER DISTRICT**  
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**A. Summary of Significant Accounting Policies** (continued)

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has reported deferred outflows of resources of approximately \$974,000 from pensions, \$2,768,000 from postemployment benefits and \$12,000 from a deferred loss on refunding bonds in the government-wide statement of net position. A deferred charge on a refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The components of the pension plan and other postemployment benefits deferred outflows of resources are disclosed in Notes F and G, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District's government-wide financial statements reported deferred inflows of resources of approximately \$62,000 from pensions and \$3,648,000 from other postemployment benefits. The components of the pension plan and other postemployment benefits are disclosed in Notes F and G, respectively.

**9. Capital Assets**

In the government-wide financial statements, capital assets with a purchase cost of \$500 or more and an estimated useful life of one year or more are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Infrastructure assets consisting of sewer mains are capitalized at cost or estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Improvements	20 years
Sewage Treatment Plant	40 years
Sanitary Sewer Main	50 years
Machinery and Equipment	5-10 years
Office Furniture and Equipment	5 years
Vehicles	8 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**OYSTER BAY SEWER DISTRICT**  
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December 31, 2023

**A. Summary of Significant Accounting Policies** (continued)

**10. Developer Deposits**

Developer deposits represent funds advanced from real estate developers for the installation of new sewer mains and connection to the District's sewer collection system. Any remaining funds after the installation is completed are refunded to the developer.

**11. Long-Term Obligations**

All long-term obligations are reported as liabilities in the government-wide statements. The long-term obligations consist of compensated absences, general obligation bonds, other postemployment benefits and the net pension liability – proportionate share.

Long-term obligations are not reported as liabilities in the fund financial statements. Debt proceeds, if any, are reported as other financing sources and payment of principal and interest are reported as expenditures. The liabilities for compensated absences, general obligation bonds, other postemployment benefits, and the net pension liability – proportionate share are liquidated through future budgetary appropriations in the general fund.

**12. Compensated Absences**

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days per year, but may accumulate no more than a maximum of 60 days. Upon separation from service other than termination for cause, employees are paid for all unused accumulated vacation. Employees accrue sick leave at the rate of 13 days per year and may accumulate such credits up to a total of 240 days. Upon separation from service, employees are paid a percentage of their unused sick leave, which ranges from 50% to 100%, based on the number of years employed.

The liability for these compensated absences is recorded as noncurrent liabilities in the government-wide statements. The current portion of this debt is estimated based on historical trends and expected retirements. The compensated absence liability and expenditures are reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

**13. Other Postemployment Benefits**

In addition to providing pension benefits, the District provides health and dental insurance coverage and survivor benefits for retired employees and their survivors. Substantially, all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care and survivor's benefits are in accordance with New York State Health Insurance Rules and Regulations (administered by the New York State Department of Civil Service), and are provided through the New York State Empire Plan (the "Empire Plan") whose premiums are based on the benefits paid throughout the State during the year.

The District recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid. The liability for these other postemployment benefits payable is recorded as a noncurrent liability in the government-wide statements.

**OYSTER BAY SEWER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**A. Summary of Significant Accounting Policies** (continued)

**14. Insurance**

The District purchases insurance against liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability not covered by insurance has been incurred and the amount of loss can be reasonably estimated. There have been no settlements in excess of insurance coverage over the last three years.

**15. Use of Estimates**

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of the assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**16. New Accounting Principles**

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

**17. Net Position and Fund Equity Classifications**

**Government-Wide Financial Statements**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment of capital assets".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**OYSTER BAY SEWER DISTRICT**  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**A. Summary of Significant Accounting Policies** (continued)

**17. Net Position and Fund Equity Classifications** (continued)

**Fund Financial Statements**

In the fund financials statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are non-spendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form, not available within a year, or legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid items recorded in the general fund.

Restricted fund balance includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is not empowered to establish local law; accordingly, the District will not have committed fund balances.

Assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District's assigned fund balance includes amounts for appropriation of fund balance for subsequent year's budget and certain encumbrances. The Board of Commissioners has the authority to assign amounts to be used for specific purposes. Assigned fund balances including all remaining amounts (except negative balances) that are not reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

**OYSTER BAY SEWER DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**A. Summary of Significant Accounting Policies** (continued)

**17. Net Position and Fund Equity Classifications** (continued)

**Fund Financial Statements** (continued)

Unassigned fund balance includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. It is also used to report negative fund balances in other governmental funds.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the Board of Commissioners will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged. It is the intention of the Board of Commissioners that the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred for which there are no restricted resources available shall be applied first to assigned fund balance to the extent that there is an assignment, and then to the unassigned fund balance.

**18. Subsequent Events**

The District evaluated its December 31, 2023 financial statements for subsequent events through April 11, 2024, the date the financial statements were available for issuance.

**B. Stewardship, Compliance and Accountability**

The District's budget policies are as follows:

The District prepares an annual budget for the general fund, which is approved by the Board of Commissioners. The budget is then submitted to the Town of Oyster Bay for inclusion in the Town Budget and a public hearing is held thereon. The budget is not subject to referendum. Any revisions to the annual budget are adopted by resolution of the Board of Commissioners.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purpose to reserve that portion of the applicable appropriations, is employed in the governmental funds. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**OYSTER BAY SEWER DISTRICT**  
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NOTES TO FINANCIAL STATEMENTS  
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**B. Stewardship, Compliance and Accountability** (continued)

The District's budget policies are as follows: (continued)

The budget is adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances, if any, carried forward from the prior year.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. The 2% cap can be increased by available carryover from prior years. For fiscal years beginning in 2012 no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less), plus available carryover; however, local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. During 2023, the District exceeded the 2% property tax cap with proper authority by the governing body.

For the 2023 budget, the District adopted a budget that includes an increase in the real property tax levy of 10.09% from 2022.

**Fund Balance**

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted and assigned fund balance, if applicable. The unassigned fund balance is also shown.

	General Fund	Capital Projects Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Nonspendable:			
Prepaid items	\$ 63,360	\$ -0-	\$ 63,360
Total Nonspendable	<u>63,360</u>	<u>-0-</u>	<u>63,360</u>
Assigned to:			
Subsequent year's budget	181,275	-0-	181,275
Capital outlay	<u>-0-</u>	<u>13,760</u>	<u>13,760</u>
Total Assigned	<u>181,275</u>	<u>13,760</u>	<u>195,035</u>
Unassigned	<u>639,193</u>	<u>-0-</u>	<u>639,193</u>
Total Fund Balances	<u>\$ 883,828</u>	<u>\$ 13,760</u>	<u>\$ 897,588</u>

**C. Cash and Investments**

The District's investment policies are governed by state statutes. In addition, the District has its own written investment policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts, money market accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities and investments made by the Cooperative Liquid Asset Security System (CLASS).



**OYSTER BAY SEWER DISTRICT**  
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**C. Cash and Investments (continued)**

Collateral is required for demand deposits, money market deposits and certificates of deposit not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

Custodial Credit Risk - Deposits/Investments - Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will be unable to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At December 31, 2023, the District's cash and investments, excluding petty cash of \$50, totaled \$956,658, of which \$951,920 is considered cash and cash equivalents and \$4,738 which is investments in CLASS. The District's bank deposit balances were \$1,041,196 of which \$344,343 was covered by the Federal Deposit Insurance Corporation and \$696,853 was collateralized with securities held by the District's agent, a third-party financial institution, in the name of the District.

External Investment Pool

The District participates in the Cooperative Liquid Assets Securities System - New York (CLASS), a multi-municipal cooperative investment pool consisting of U.S. treasury obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market value. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The pool is not registered with the SEC and is overseen by an elected Governing Board. The District's fair value of its position in the pool is the same as the value of pool shares. The investments are highly liquid and are considered to be cash equivalents.

The District's investment in CLASS, on December 31, 2023 is \$4,738.

This amount represents the cost of the investment pool shares, and are considered to approximate market value. Additional information concerning the cooperative is presented in the annual report of the New York CLASS, which can be found on its website at [www.newyorkclass.org](http://www.newyorkclass.org).

As of December 31, 2023, the District did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

**OYSTER BAY SEWER DISTRICT**  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/23	Additions/ Adjustments	Deletions/ Reclassifications	Balance 12/31/23
Capital assets not being depreciated:				
Land	\$ 26,000			\$ 26,000
Construction in progress	7,840			7,840
Total capital assets not being depreciated	<u>33,840</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>33,840</u>
Depreciable capital assets:				
Buildings	1,154,020			1,154,020
Improvements	914,764			914,764
Sewer treatment plant	17,719,291	44,173		17,763,464
Sewer mains	1,524,942	4,650		1,529,592
Machinery and Equipment	525,611	4,263		529,874
Office furniture and equipment	95,851			95,851
Vehicles	223,240			223,240
Total depreciable capital assets	<u>22,157,719</u>	<u>53,086</u>	<u>-0-</u>	<u>22,210,805</u>
Less accumulated depreciation:				
Buildings	811,992	30,486		842,478
Improvements	347,822	43,729		391,551
Sewer treatment plant	8,668,794	451,057		9,119,851
Sewer mains	1,041,181	21,565		1,062,746
Machinery and Equipment	340,298	40,027		380,325
Office furniture and equipment	89,789	2,919		92,708
Vehicles	223,240			223,240
Total accumulated depreciation	<u>\$ 11,523,116</u>	<u>\$ 589,783</u>	<u>\$ -0-</u>	<u>12,112,899</u>
Total net depreciable capital assets				<u>10,097,906</u>
Total capital assets				<u>\$ 10,131,746</u>

Depreciation expense of \$589,783 was charged to sanitary sewer services expense for the year ended December 31, 2023.

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of capital assets has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At December 31, 2023, the District has not recorded any such impairment losses.

**E. Indebtedness**

General Obligation Bonds - The District periodically borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town of Oyster Bay, bear interest rates ranging from 2.0% to 5.0%, and maturing in 2024.

**OYSTER BAY SEWER DISTRICT**  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**E. Indebtedness** (continued)

Compensated Absences - Represents the value of the earned and unused sick and vacation time.

Other Postemployment Benefits - Represents the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows.

Net Pension Liability - Proportionate Share - Represents the District's proportionate share of the NYS ERS net pension liability.

A summary of changes in noncurrent liabilities for the year ended December 31, 2023 is as follows:

	Balance 1/1/2023	Increases	Reductions	Balance 12/31/23	Non-current Liabilities Due Within One Year
General obligation bonds	\$ 574,395	\$ -0-	\$ 279,749	\$ 294,646	\$ 294,646
Plus: premiums on issuance	52,392		26,196	26,196	26,196
Total bonds payable	626,787	-0-	305,945	320,842	320,842
Compensated absences	628,517	49,454		677,971	33,898
Other postemployment benefits payable	10,476,828	1,753,186	1,451,933	10,778,081	294,936
Net pension liability - proportionate share	-0-	1,167,091		1,167,091	-0-
	<u>\$ 11,732,132</u>	<u>\$ 2,969,731</u>	<u>\$ 1,757,878</u>	<u>\$ 12,943,985</u>	<u>\$ 649,676</u>

Principal and interest payments to maturity of general obligation bonds as of December 31, 2023 are as follows:

		Principal	Interest	Total Principal and Interest
Year ending December 31,	2024	\$ 294,646	\$ 14,732	\$ 309,378
		<u>\$ 294,646</u>	<u>\$ 14,732</u>	<u>\$ 309,378</u>

Interest expense for the year ended December 31, 2023 totaled \$28,720 and is included in debt service expenditures in the statement of revenues, expenditures and changes in fund balance. Interest expense of \$23,475 for the year ended December 31, 2023 is included in sanitary sewer services expense in the statement of activities.

**OYSTER BAY SEWER DISTRICT**  
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December 31, 2023

**F. Pension Plan**

**Plan Description and Benefits Provided**

The District participates in the New York State and Local Employees' Retirement System ("System"). This is a cost-sharing multiple-employer defined benefit retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in 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. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the system. System benefits are established under the provisions of 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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at: [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

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

*Tiers 1 and 2*

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

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tiers 1 and 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

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

**OYSTER BAY SEWER DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**F. Pension Plan** (continued)

**Plan Description and Benefits Provided** (continued)

*Tiers 3, 4 and 5*

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

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

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

*Tier 6*

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

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

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

*Disability Retirement Benefits*

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service and plan.

**OYSTER BAY SEWER DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**F. Pension Plan** (continued)

**Plan Description and Benefits Provided** (continued)

*Ordinary Death Benefits*

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

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: 1) all pensioners who have attained age 62 and have been retired for five years; 2) all pensioners who have attained age 55 and have been retired for ten years; 3) all disability pensioners, regardless of age, who have been retired for five years; 4) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and 5) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual consumer price index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

**Contributions**

Generally, Tiers 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tiers 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tiers 5 and 6 members are required to contribute for all years of service. Under the authority of the New York State Retirement and Social Security Law, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

The contribution paid during the current year was equal to 100% of the required payment. The contractually required contribution for the year ended December 31, 2023 was \$253,440.

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

At December 31, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension liability for the ERS. The net pension asset/(liability) was measured as of March 31, 2023 for ERS. The total pension asset/(liability) used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the District.

**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**F. Pension Plan** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions** (continued)

Net pension asset/(liability)	\$	(1,167,091)
District's proportion of the Plan's total net pension asset/(liability)		0.0054425%
Change in allocation of the System's total Net Pension Asset/(Liability) since the prior measurement date		0.0000999%

For the year ended December 31, 2023, the District recognized pension expense of \$441,906 in the government-wide financial statements. At December 31, 2023, the District's reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 124,304	\$ 32,776
Changes of assumptions	566,815	6,264
Net difference between projected and actual earnings on pension plan investments		6,857
Changes in proportion and differences between the District's contributions and proportionate share of contributions	92,322	16,157
District's contribution subsequent to the measurement date	190,080	
Total	\$ 973,521	\$ 62,054

The District's contribution subsequent to the measurement date of \$190,080 will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31, 2024	\$ 180,137
2025	(40,775)
2026	255,552
2027	326,473
	\$ 721,387

**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**F. Pension Plan** (continued)

**Actuarial Assumptions**

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

The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return (net of investment expense)	5.9%
Salary scale	4.4%
Cost of living adjustment	1.5%
Inflation rate	2.9%

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

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – April 1, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Private equity	10.0%	7.50%
Real estate	9.0%	4.60%
Opportunistic portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Real assets	3.0%	5.84%
Fixed income	23.0%	1.50%
Cash	1.0%	0.00%
	100.0%	

The real rate of return is net of the long-term inflation assumption of 2.50 percent.



**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**F. Pension Plan (continued)**

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9% for the System. 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. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset/(liability)	\$ (2,820,358)	\$ (1,167,091)	\$ 214,406

**Pension Plan Fiduciary Net Position**

The components of the collective current-year net pension liability of the employers participating in the System as of March 31, 2023, were as follows (in thousands):

Employers' total pension liability	\$ 232,627,259
Plan Fiduciary Net Position	(211,183,223)
Employers' net pension liability (asset)	\$ 21,444,036
Ratio of plan fiduciary net position to the Employers' total pension liability	90.78%

**G. Postemployment Benefits (Obligations for Health and Dental Insurance)**

Plan Description

The District established and administers a single-employer defined benefit OPEB plan for its employees. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financial requirements to the Board of Commissioners. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**G. Postemployment Benefits (Obligations for Health and Dental Insurance)** (continued)

Plan Description (continued)

The District, per its contracts with employees, will pay the full premium costs for the medical insurance coverage (currently provided by Empire Core Plan Plus Enhancements of the New York State Government Employees Health Insurance Program) and \$2,000 per year for single employees and \$4,000 per family for dental insurance coverage for an employee of the District at retirement, provided the employee is at least 55 years of age and has been employed with the District for at least ten consecutive years of continuous employment prior to the date of retirement.

These contracts can be renegotiated at various times in the future. The retiree and his/her spouse is also eligible for Medicare reimbursement in the amount of \$1,978.80 per year. Healthcare benefits for non-union employees are similar to those of union employees. Upon death of an active employee with ten years of service, the District will pay 100% of the cost to continue coverage for the unremarried spouse and dependents of the retiree for a period of three years and one year for dental coverage.

The OPEB valuation is based on census data as of January 1, 2024, the most recent valuation date. The number of participants as of this date is as follows:

Active employees	22
Retired employees	11
Spouses of retired employees	<u>8</u>
 Total	 <u><u>41</u></u>

There have been no significant changes to the number of participants or the type coverage since the valuation date.

Total OPEB Liability

The District's total OPEB liability of \$10,778,081 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2024.

Funding Policy

The District currently pays for postemployment health care benefits on a pay-as-you-go basis.

Actuarial Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**G. Postemployment Benefits (Obligations for Health and Dental Insurance)** (continued)

Actuarial Assumptions and Other Inputs (continued)

The total OPEB liability in the January 1, 2024 valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Discount rate	3.26%
Healthcare cost trend rates	7.0% in 2023, grading down .5% per annum to an ultimate rate of 5.0% in years 2027 and later.

The discount rate was based on the Bond Buyer's 20 Bond Index as of December 31, 2023.

Mortality rates from PUB-10 mortality table were used to project fully generationally using projection scale MP-2021.

The decrement tables used for this valuation are based on the New York State Employees' Retirement System (ERS).

In the January 1, 2024 actuarial valuation, the liabilities were computed using the entry age normal method, the Actuarial Present Value of Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s).

Other changes impacting the valuation were due to updated mortality tables to reflect an updated projection scale. The healthcare cost trend rate was reset to 7.0% in 2023, grading down 0.5% per annum to an ultimate rate of 5.0% in years 2027 and later.

Changes in the Total OPEB Liability

The following table shows the components of the changes in the District's other postemployment benefits liability:

Balance at December 31, 2022	\$ 10,476,828
Changes for the year:	
Service cost	209,420
Interest	362,533
Differences between expected and actual experience	(1,211,660)
Changes in assumptions and other inputs	1,181,233
Benefit payments	<u>(240,273)</u>
Balance at December 31, 2023	<u>\$ 10,778,081</u>

**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**G. Postemployment Benefits (Obligations for Health and Dental Insurance) (continued)**

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
\$ 12,855,410	\$ 10,778,081	\$ 9,164,922

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current healthcare cost trend rates:

1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
\$ 9,170,946	\$ 10,778,081	\$ 12,876,827

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

For the year ended December 31, 2023, the District recognized OPEB expense of \$349,578. At December 31, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience Loss/Gain	\$ 842,494	\$ 1,409,084
Changes of assumptions	1,925,995	2,238,931
Total	\$ 2,768,489	\$ 3,648,015

**OYSTER BAY SEWER DISTRICT**  
(A Component Unit of the Town of Oyster Bay)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

**G. Postemployment Benefits (Obligations for Health and Dental Insurance) (continued)**

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Years ending December 31, 2024	\$ (201,047)
2025	(84,909)
2026	(136,677)
2027	(405,235)
2028	<u>(51,658)</u>
	<u>\$ (879,526)</u>

**H. Commitments**

The District is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the District.

The District is committed to the long-term maintenance of the sanitary sewer system and plans capital improvements on a regular basis. The District is currently committed on contract or is planning additional improvements amounting to \$13,760.

**I. New Pronouncements**

The following statements have been issued by the Governmental Accounting Standards Board (GASB) and are to be implemented in future years:

Statement No. 100, "*Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*", this statement has been issued to enhance accounting and financial reporting requirements for accounting changes and error corrections or provide more understandable, reliable, relevant, consistent and comparable information for making accounting decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, "*Compensated Absences*", this statement has been issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, "*Certain Risk Disclosures*", this statement has been issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

The District is currently evaluating the impact of the above pronouncement.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**OYSTER BAY SEWER DISTRICT  
(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

For the Year Ended December 31, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues</b>				
Real property taxes	\$ 4,048,395	\$ 4,048,394	\$ 4,048,394	\$ -0-
Real property tax items	150,000	150,000	183,020	33,020
Departmental income	601,087	601,088	690,710	89,622
Use of money and property	5,000	5,000	78,028	73,028
Sale of property and compensation for loss	-0-	-0-	3,005	3,005
Miscellaneous local sources	-0-	-0-	7,271	7,271
Total Revenues	<u>4,804,482</u>	<u>4,804,482</u>	<u>5,010,428</u>	<u>205,946</u>
<b>Expenditures</b>				
Administration	642,892	642,892	578,057	64,835
Sewage, treatment and disposal	2,421,775	2,421,935	2,383,217	38,718
Employee benefits	1,239,701	1,361,851	1,334,025	27,826
Debt service	310,000	310,000	308,469	1,531
Total Expenditures	<u>4,614,368</u>	<u>4,736,678</u>	<u>4,603,768</u>	<u>132,910</u>
<b>Other Sources and (Uses) of Funds</b>				
Interfund transfers (out)	<u>(388,700)</u>	<u>(266,390)</u>	<u>(53,086)</u>	<u>213,304</u>
Total Other Sources and (Uses) of Funds	<u>(388,700)</u>	<u>(266,390)</u>	<u>(53,086)</u>	<u>213,304</u>
Net Change in Fund Balance	<u>\$ (198,586)</u>	<u>\$ (198,586)</u>	353,574	<u>\$ 552,160</u>
Fund Balance at Beginning of Year			<u>530,254</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 883,828</u>	

See independent auditors' report.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
**GENERAL FUND**  
**DETAILED SCHEDULE OF EXPENDITURES AND OTHER USES**  
**BUDGET AND ACTUAL**  
For the Year Ended December 31, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		
<b>Administration</b>				
Office salaries	\$ 269,592	\$ 269,592	\$ 269,592	\$ -0-
Commissioners' fees	52,000	52,000	46,400	5,600
Engineering	60,000	57,817	35,028	22,789
Auditing and legal	102,200	102,200	86,450	15,750
Insurance	100,000	100,000	92,378	7,622
Office and computer expense	40,000	40,000	34,859	5,141
Office utilities	12,000	12,000	9,082	2,918
Public relations cost	5,000	5,000	-0-	5,000
Rentals and easements	100	100	85	15
Security	2,000	4,183	4,183	-0-
Total Administration	<u>642,892</u>	<u>642,892</u>	<u>578,057</u>	<u>64,835</u>
<b>Sewage Treatment and Disposal</b>				
Salaries	1,760,775	1,660,775	1,654,020	6,755
Electric energy	300,000	276,000	264,621	11,379
Chloride and chemicals	50,000	100,900	100,869	31
Fuel, water, heat and telephone	20,000	20,000	11,372	8,628
Plant equipment	-0-	1,120	1,117	3
Plant supplies and maintenance	42,000	42,000	31,291	10,709
Plant parts and repairs	40,000	68,000	67,355	645
Automobile expenses	8,000	8,000	7,438	562
Dry and liquid sludge removal	180,000	224,100	224,096	4
Miscellaneous	21,000	21,040	21,038	2
Total Sewage Treatment and Disposal	<u>2,421,775</u>	<u>2,421,935</u>	<u>2,383,217</u>	<u>38,718</u>
<b>Employee Benefits</b>				
State retirement	250,000	250,000	245,905	4,095
Social security and MTA tax	163,301	163,301	157,194	6,107
Hospital and medical insurance	696,072	818,054	817,979	75
Workers' compensation insurance	44,228	43,046	29,964	13,082
Disability insurance	6,100	7,450	7,422	28
Dental and optical insurance	80,000	80,000	75,561	4,439
Total Employee Benefits	<u>1,239,701</u>	<u>1,361,851</u>	<u>1,334,025</u>	<u>27,826</u>
<b>Debt service</b>				
Serial bonds - principal	275,000	279,800	279,749	51
Serial bonds - interest	35,000	30,200	28,720	1,480
Total Debt Service	<u>310,000</u>	<u>310,000</u>	<u>308,469</u>	<u>1,531</u>
Total Expenditures	<u>4,614,368</u>	<u>4,736,678</u>	<u>4,603,768</u>	<u>132,910</u>
<b>Other Uses</b>				
Interfund transfers	388,700	266,390	53,086	213,304
Total Other Uses	<u>388,700</u>	<u>266,390</u>	<u>53,086</u>	<u>213,304</u>
Total Expenditures and Other Uses	<u>\$ 5,003,068</u>	<u>\$ 5,003,068</u>	<u>\$ 4,656,854</u>	<u>\$ 346,214</u>

See independent auditors' report.



**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
 LIABILITY AND RELATED RATIO

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 209,420	\$ 509,131	\$ 488,008	\$ 335,222	\$ 231,935	\$ 319,456
Interest	362,533	278,262	272,875	268,584	318,290	335,025
Differences between expected and actual experience	(1,211,660)	-0-	1,570,876	-0-	(1,617,362)	-0-
Changes of assumptions or other inputs	1,181,233	(3,151,312)	45,445	1,075,619	1,865,433	(973,827)
Benefit payments	(240,273)	(314,373)	(241,595)	(252,338)	(183,433)	(243,385)
Net Change in Total OPEB Liability	301,253	(2,678,292)	2,135,609	1,427,087	614,863	(562,731)
Total OPEB Liability - Beginning	10,476,828	13,155,120	11,019,511	9,592,424	8,977,561	9,540,292
Total OPEB Liability - Ending	<u>\$ 10,778,081</u>	<u>\$ 10,476,828</u>	<u>\$ 13,155,120</u>	<u>\$ 11,019,511</u>	<u>\$ 9,592,424</u>	<u>\$ 8,977,561</u>
Covered Employee Payroll	\$ 1,785,236	\$ 1,610,932	\$ 1,571,641	\$ 1,798,281	\$ 1,754,420	\$ 1,592,302
Total OPEB Liability as a percentage of covered-employee payroll	603.73%	650.36%	837.03%	612.78%	546.76%	563.81%

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

*Changes of assumptions.*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2023	3.26%
2022	3.72%
2021	2.06%
2020	2.12%
2019	2.74%
2018	4.10%
2017	3.44%

*Change in actuarial cost method.*

The District adopted GASB Statement No. 75 in the year-ended December 31, 2018 and continues to use the entry age normal as a percentage of payroll, the prescribed method under GASB 75.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10- year trend is compiled, the District presents information for those years for which information is available.

See independent auditors' report.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

NYSERS	2023 (1)	2022 (2)	2021 (2)	2020 (1)	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0054400%	(0.0053426%)	0.0056718%	0.0056718%	0.0057442%	0.0059916%	0.0060964%	0.0060674%	0.0059303%	0.0059303%
District's proportionate share of the net pension liability (asset)	\$ 1,167,091	\$ (436,739)	\$ 5,354	\$ 1,501,920	\$ 406,993	\$ 193,376	\$ 572,833	\$ 973,833	\$ 200,339	\$ 267,980
District's covered-employee payroll	\$ 1,877,559	\$ 1,863,037	\$ 1,726,520	\$ 1,814,314	\$ 1,745,746	\$ 1,677,698	\$ 1,721,411	\$ 1,752,778	\$ 1,686,751	\$ 1,652,971
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	62.16%	(-23.44%)	0.31%	82.78%	23.31%	11.53%	33.28%	55.56%	11.88%	16.21%
Plan fiduciary net position as a percentage of the total pension liability coming from plan.	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.15%

Notes:

Amounts presented above were determined as the System's measurement date of March 31st.

(1) Increase in the proportionate share of net pension liability (asset) mainly attributable to decrease in plan fiduciary net position due to investment losses.

(2) Decrease in proportionate share of net pension liability (asset) mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS

	New York State and Local Employees' Retirement System									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 253,440	\$ 223,298	\$ 286,868	\$ 268,417	\$ 254,245	\$ 249,090	\$ 260,994	\$ 277,331	\$ 318,282	\$ 327,150
Contributions in relation to the contractually required contribution	<u>253,440</u>	<u>223,298</u>	<u>286,868</u>	<u>268,417</u>	<u>254,245</u>	<u>249,090</u>	<u>260,994</u>	<u>277,331</u>	<u>318,282</u>	<u>327,150</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered-employee payroll	\$ 1,923,612	\$ 1,972,844	\$ 1,827,293	\$ 1,780,781	\$ 1,791,878	\$ 1,811,555	\$ 1,785,965	\$ 1,765,868	\$ 1,729,740	\$ 1,665,532
Contributions as a percentage of covered-employee payroll	13.18%	11.32%	15.70%	15.07%	14.19%	13.75%	14.61%	15.71%	18.40%	19.64%

**Notes:**

Amounts presented for each year were determined as of December 31st and the contractually required contributions are based on the amounts invoiced by the New York State Local Retirement System. The Plan used the April 1, 2022 actuarial valuation to determine the employer rates for contributions payable to the Plan's year ended March 31, 2023.

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

**OYSTER BAY SEWER DISTRICT**  
**(A COMPONENT UNIT OF THE TOWN OF OYSTER BAY)**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT EXPENDITURES AND ENCUMBRANCES**  
**For the Year Ended December 31, 2023**

<u>Capital Project</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Encumbrances</u>	<u>Total</u>
Replace Office Trailer	\$ 7,840		\$ 13,760	\$ 21,600
Flygt pump		\$ 9,081		9,081
Rooftop unit		29,250		29,250
Manhole castings		4,650		4,650
Solenoid valve and Time switch		833		833
Portable power cable		1,200		1,200
Check valve		1,280		1,280
Transducer		950		950
Level Transmitter		5,842		5,842
	<u>\$ 7,840</u>	<u>\$ 53,086</u>	<u>\$ 13,760</u>	<u>\$ 74,686</u>

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