WATER AUTHORITY
OF GREAT NECK NORTH
FINANCIAL STATEMENTS
DECEMBER 31, 2023

Water Authority of Great Neck North
Year Ended December 31, 2023

Table of Contents

SATTY, LEVINE & CIACCO, CPAS, PC

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Water Authority of Great Neck North
Great Neck, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Water Authority of Great Neck North (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Water Authority of Great Neck North's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Water Authority of Great Neck North, as of December 31, 2023, and the changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Water Authority of Great Neck North and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Water Authority of Great Neck North's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Authority of Great Neck North'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 Water Authority of Great Neck North's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Water Authority of Great Neck North's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the Water Authority of Great Neck North's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Water Authority of Great Neck North's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Water Authority of Great Neck North's internal control over financial reporting and compliance.

Satty, Levine & Ciacco CPAs PC

Melville, New York
March 25, 2024

The Water Authority of Great Neck North (the "Authority") was established to provide potable water to the northern area of Great Neck peninsula which encompasses the Villages of Great Neck, Great Neck Estates, Kensington, Kings Point, Saddle Rock and portions of Great Neck Plaza, and Thomaston. The service area also includes portions of the unincorporated areas of the Town of North Hempstead within the service territory.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of December 31, 2023 by $59,217,886 (net position). Of this amount, $23,071,430 (unrestricted component of net position) may be used to meet the Authority's ongoing operations.
- The change in net position of the Authority for the 2023 fiscal year was an increase of $5,940,495 compared with the 2022 increase of $5,389,266.
- Water sales in the current year increased by $124,128 or 1.2% from $10,661,779 in 2022 to $10,785,907 for the current fiscal year, due to an increase in water rates.
- Interest and other non-operating revenue increased $1,421,473 or 41.1% from $3,455,782 in 2022 to $4,877,255 in 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Authority include the Statements of Net Position, the Statements of Revenue, Expenses, and Changes in Net Position, the Statements of Cash Flows, and related notes to the financial statements. The Statements of Net Position, or balance sheets, provide information about the nature and amounts of investments, resources, and deferred outflows (assets) and the obligations to the Authority's creditors and deferred inflows (liabilities), with the difference between the two reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position, or income statements, shows how the Authority's net position changed during the year. It accounts for all the year's revenues/inflows and expenses/outflows, measures the financial results of the Authority's operations for the year and can be used to determine how the Authority has funded its costs.

The Statements of Cash Flows provide information about the Authority's cash receipts, cash payments and net changes in cash resulting from operating, financing, and investing activities.

The notes to the financial statements contain information that is essential to the understanding of the financial statements, such as the Authority's accounting methods and policies.

Management provides the following discussion and analysis (MD&A) of the Authority's financial position and activities. This overview is provided for the year ended December 31, 2023. The information contained in this analysis should be used by the reader in conjunction with the information contained in our audited financial statements and the notes to those financial statements, all of which follow this narrative on the subsequent pages.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Net position is an indication of the Authority's financial strength. Our analysis focuses on the net position and changes in net position of the Authority as a whole. As noted earlier, net position may serve over time as a useful indicator of the Authority's financial strength.

Summary of Statement of Net Position

	2023	2022
Assets:		
Current and other assets	$ 27,082,712	$ 16,458,646
Restricted assets and noncurrent assets	21,041,978	28,048,543
Capital assets	88,414,563	87,705,787
Total assets	$ 136,539,253	$ 132,212,976
Deferred outflows of resources	$ 4,952,619	$ 4,912,196
Liabilities:		
Current liabilities	$ 3,117,279	$ 3,179,949
Non-current liabilities	73,345,179	71,095,889
Total liabilities	$ 76,462,458	$ 74,275,838
Deferred inflows of resources	$ 5,811,528	$ 9,571,943
Net position:		
Net investment in capital assets	$ 36,146,456	$ 41,069,824
Unrestricted	23,071,430	12,207,567
Total net position	$ 59,217,886	$ 53,277,391

The Authority's total assets and deferred outflows of resources at December 31, 2023 was $141,491,872 an increase of $4,366,700 over the 2022 year. This increase was primarily due to an increase in cash, investments, accounts receivable, accrued unbilled revenue, prepaid expenses and other assets, inventory of materials and supplies, capital assets, costs to be recovered from future revenues, deferred outflows of resources related to other postemployment benefits offset by decreases in cash construction fund, net pension asset, leases receivable, and deferred outflows related to pension and loss on advanced refunding of debt. Total liabilities and deferred inflows of resources at December 31, 2023 were $82,273,986, a decrease of $1,573,795 from the 2022 year. The decrease in total liabilities and deferred inflows of resources was primarily due to decreases in accounts payable and accrued liabilities, retainage payable, unearned revenue, EFC financing bonds, EPA long-term facility payable WIFIA, deferred inflows of resources related to pension, other post-employment benefits and leases offset by increases in customer deposits payable, total other post employment benefits liability and Net pension liability – proportionate share. Total net position of the Authority at December 31, 2023 was $59,217,886. As of December 31, 2023, the Authority is able to report a positive balance in both components of net position.

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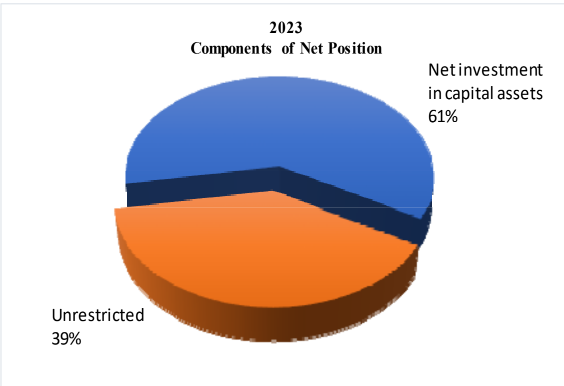
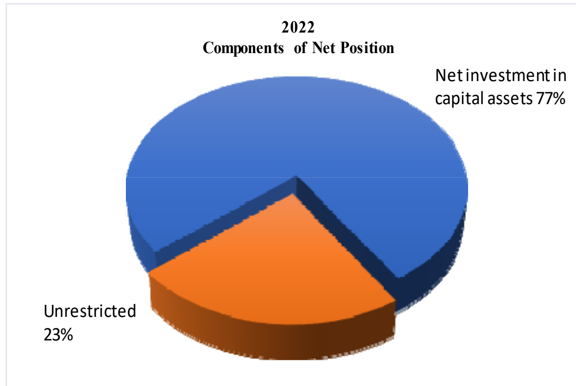
FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (continued)

The components of net position for the Authority, shown as a proportion of total net position, is as follows as of December 31, 2023.





Summary of Statement of Revenues, Expenses, and Changes in Net Position

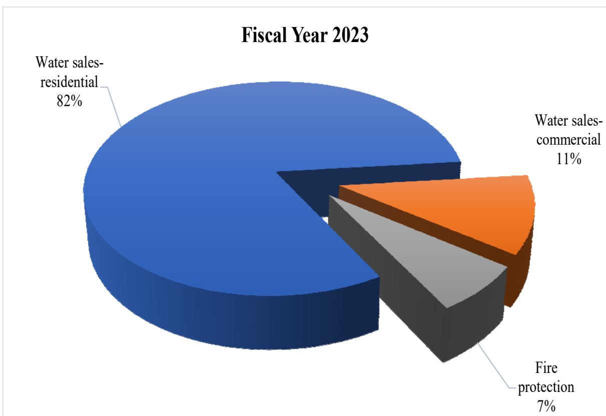
	Years Ended December 31, 2023	2022
Water service revenues	$ 10,785,907	$ 10,661,779
Operating expenses	9,215,437	8,105,459
Total Operating income	1,570,470	2,556,320
Non-operating revenues	5,257,758	3,890,598
Costs to be recovered from future revenues	453,200	318,921
Non-operating expenses	(1,433,458)	(1,433,073)
Income before capital contributions	5,847,970	5,332,766
Capital contributions	92,525	56,500
Change in net position	5,940,495	5,389,266
NET POSITION - BEGINNING	53,277,391	47,888,125
NET POSITION - ENDING	$ 59,217,886	$ 53,277,391

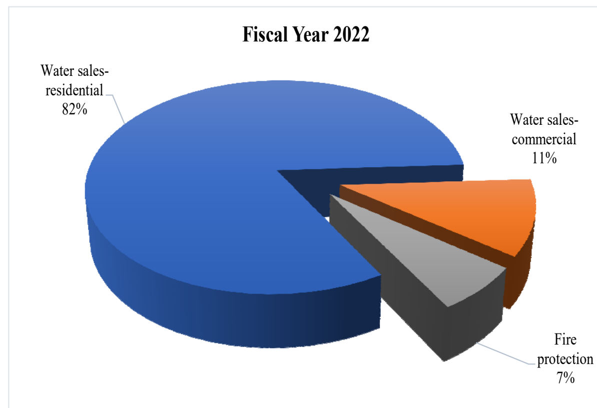
FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (continued)

Water service revenues increased $124,128 or 1.2% during the current year from $10,661,779 in 2022 to $10,785,907 in 2023. Variances year over year are due to precipitation or rainfalls for the area when compared year over year, as well as average temperature changes year over year. Hotter, dryer weather will trigger the need for additional water usage. There was an increase in water rates in both 2022 and 2023.

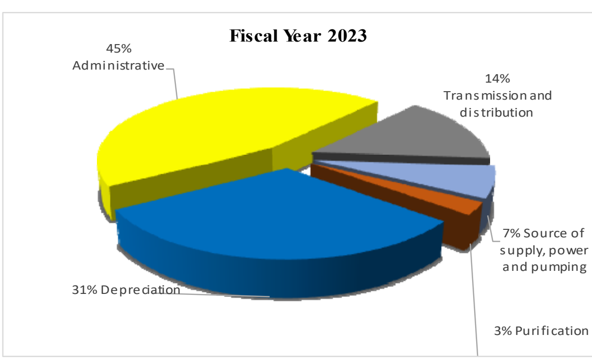
Operating expenses increased $1,109,978 or 13.7% from $8,105,459 in 2022 to $9,215,437 for 2023. The most notable variances over the prior year were increased administration of $1,049,588 due to an increase in NYS Retirement expenses in 2023. In addition to this, depreciation expense increased $651,205 as a result of $18,315,175 capital projects completed being moved into depreciable assets.

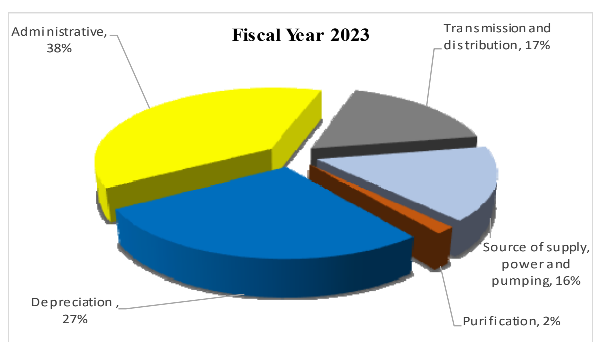
Revenue Percentages by Major Category
For the Fiscal Year Ended December 31, 2023 and 2022





Operating Expenses Expressed as a Percentage by Major Type
For the Fiscal Year Ended December 31, 2023 and 2022





FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (continued)

Costs to be recovered from future revenues of $453,200 for the years ended December 31, 2023, represent the net change in the Authority's total liability for postemployment benefits other than pensions ("OPEB") as required by GASB Statements No. 75. In accordance with the accounting authoritative guidance GASB No. 62, the Authority has deferred the excess of the annual required contributions over the amount paid during the fiscal year. The deferred costs will be recovered through future revenues in accordance with the Authority's rate model.

2023 Operating Budget Highlights

	Actual	Budget	Variance Favorable (Negative)
Operating Revenues:			
Water Services	$ 10,049,223	$ 10,266,000	$ (216,777)
Fire protection	736,684	728,500	8,184
Total operating revenues	10,785,907	10,994,500	(208,593)
Operating Expenses:			
Administrative	4,163,441	3,899,330	(264,111)
Transmission and distribution	1,330,584	1,544,600	214,016
Source of supply, power and pumping (purification)	865,304	2,010,540	1,145,236
Depreciation	2,856,108	2,100,000	(756,108)
Total operating expenses	9,215,437	9,554,470	339,033
Operating income	$ 1,570,470	$ 1,440,030	$ 130,440

Water service revenues are projected based on average historical usage. This year's operating revenues were approximately 1.9% under budget. Water service revenues are budgeted based on historical water usage and are affected by unpredictable weather patterns where wetter summers result in lower water demand. Operating expenses were approximately 3.6% under budget primarily due to lower transmission and distribution costs and source of supply, power and pumping (purification) offset by an increase in administrative and depreciation expense.

Postemployment Benefits Other than Pensions

GASB Statement No. 75 establishes guidance for the financial reporting of OPEB cost over a period that approximates employees' years of service and is implemented as of January 1, 2018. Under GASB Statement No. 75, based on an actuarial valuation the net change in the OPEB liability is calculated as the sum of the service cost, interest cost on the unfunded liability, and the difference between expected and actual experience minus benefit payments for retirees.

GASB Statement No. 75 does not require that the total OPEB liability actually be funded, only that the Authority account for unfunded accrued liability. Current regulations do not permit the Authority to fund the liability. The financial statements at December 31, 2023 include a liability in the amount of $8,911,447, that represent the Authority's unfunded liability.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (continued)

Capital Assets

The Authority owns and maintains over 117 miles of various types and sizes of water mains, and pumping stations, tanks, water treatment plants, three storage facilities, two emergency interconnections with Manhasset-Lakeville Water District, land and other facilities required in the treatment and distribution of portable water to its customers. Additional information regarding the Authority's capital assets may be found in Note 4 in the accompanying financial statements.

Net of Accumulated Depreciation

For the years ended December 31 ,	2023	2022	Increase (Decrease)
Land	$ 639,639	$ 639,639	$ -0-
Construction in progress	2,239,982	16,990,273	(14,750,291)
Buildings	1,251,466	1,075,504	175,962
Transportation equipment	2,779,080	2,753,986	25,094
Other equipment	1,929,157	2,088,670	(159,513)
Organization and acquisition	18	18	-0-
Infrastructure:			
Pumping and purification	53,551,230	39,429,019	14,122,211
Transmission and distribution	26,023,991	24,728,678	1,295,313
Total capital assets net of depreciation	$ 88,414,563	$ 87,705,787	$ 708,776

Debt Administration

The Authority carries debt in the form of bond obligations. This debt was $35,775,000 at December 31, 2023 from $35,795,000 in 2022. The $20,000 decrease is attributable to current bond payments.

In July 2015, the Authority participated in the New York State Drinking Water Program, which includes funds from a state drinking water revolving fund (the Revolving Fund) that are to be used for purposes of the Safe Drinking Water Act. This program allows the Authority to receive an interest free loan in the maximum amount of $11,175,500 (Series 2015A Notes) and a maximum grant of $3,862,500 for purposes of improving the current water supply and distribution infrastructure. In addition in 2022, the Authority was also granted $1,078,801 of additional funding from this EFC program for improving the current water supply and distribution infrastructure in compliance with the Safe Drinking Water Act. On July 2, 2020, the Authority issued long term financing of $6,077,231 for the amounts advanced under these notes as of March 5, 2020, $8,203,807, reduced by the SMLP Grant released of $2,126,576. Effective July 2, 2020, the program allows the Authority to receive an interest free loan in the maximum amount of $4,795,769 (Series 2020 Note), and a maximum grant of $1,735,924. The outstanding loan balance as of December 31, 2023 was $10,888,650 from $11,200,561 at December 31, 2022. The $311,911 decrease is attributable to current bond payments.

The United State Environmental Protection Agency has established the Water Infrastructure Finance and Innovation Act ("WIFIA") a program that accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. The Authority was granted a loan of $13,800,000 in October 2021 at an interest rate of 2.07% maturing in 2053. As of December 31, 2023, the Authority had drawn down $13,800,000. Principal payments of $315,000 were made during 2023, and as of December 31, 2023, the total amount owed was $13,485,000.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (continued)

The Authority is committed to the long-term maintenance of the water system and currently has plans for capital improvements to the system on a regular basis. The Authority currently has a five-year capital budget with expenditures estimated as follows:

2024	$	15,147,537
2025	$	12,619,943
2026	$	5,000,000
2027	$	3,000,000
2028	$	3,000,000

CREDIT RATINGS

The Authority is the recipient of a very favorable AA+ credit rating assigned to its revenue bonds from Standard & Poors. There have been no changes to the Authority's credit rating in 2023.

ECONOMIC FACTORS AND NEXT YEAR'S PLAN AND RATES

The Authority derives a significant portion of its operating revenues from metered water sales. Water revenues are dependent on the amount of rainfall particularly during the summer months. As a result, these revenues are unpredictable and very volatile. Water revenues for the Authority can vary significantly from a rainy year to a dry year. Water revenues are budgeted on the conservative side, which is in anticipation of a rainy year. However, actual water revenues can still fall short of estimates. The Authority also believes that such adverse weather conditions can easily recur consequently over two or more years running. Water rates are set periodically in concurrence with the adoption of its annual operating budget and proposed capital project planning. The Authority is required to set rates and fees sufficient to cover all its operating and capital expenses as well as meeting debt service covenant requirements.

REQUEST FOR INFORMATION

This financial report is designed to provide our readers with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Water Authority's Superintendent at 50 Watermill Lane, Great Neck, New York, 11021.

WATER AUTHORITY OF GREAT NECK NORTH
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	2023
ASSETS:	
CURRENT ASSETS:	
Cash and cash equivalents	$ 11,108,189
Investments	13,342,937
Accounts receivable	801,218
Accrued unbilled revenue	995,996
Interest and other receivables	360,186
Prepaid expenses and other assets	94,272
Inventory of materials and supplies	379,914
TOTAL CURRENT ASSETS	27,082,712
NON-CURRENT ASSETS:	
Restricted cash and cash equivalents:	
Cash construction fund	8,932,939
Costs to be recovered from future revenues	8,708,200
Leases receivable	3,400,839
Capital assets:	
Nondepreciable	2,879,621
Depreciable (net)	85,534,942
Total capital assets	88,414,563
TOTAL NONCURRENT ASSETS	109,456,541
TOTAL ASSETS	136,539,253
DEFERRED OUTFLOWS OF RESOURCES:	
Loss on advanced refunding of debt	743,576
Pension	1,529,070
Other postemployment benefits	2,679,973
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,952,619
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	1,585,061
Retainage payable	52,638
Current portion of EFC financing bonds	107,000
Current portion of EFC Statutory Installment Bond	202,580
Current portion of EPA Statutory Installment Bond	335,000
Current portion of water revenue bonds (due within one year)	835,000
TOTAL CURRENT LIABILITIES	3,117,279
NON-CURRENT LIABILITIES:	
Water revenue bonds, net of current portion and unamortized discounts	34,891,760
EFC Statutory Installment Bond, net of current portion	5,064,500
EPA Long-Term Facility Payable - WIFIA	13,150,000
EFC Long-Term financing bonds	5,514,570
Premium on water revenue bonds net of accumulated amortization	1,844,212
Customer deposits payable	1,988,907
Total other postemployment benefits liability	8,911,447
Net pension liability - proportionate share	1,979,783
TOTAL NON-CURRENT LIABILITIES	73,345,179
TOTAL LIABILITIES	76,462,458
DEFERRED INFLOWS OF RESOURCES:	
Pension	183,624
Other postemployment benefits	2,476,726
Lease related	3,151,178
TOTAL DEFERRED INFLOWS OF RESOURCES	5,811,528
NET POSITION:	
Net investment in capital assets	36,146,456
Unrestricted	23,071,430
TOTAL NET POSITION	$ 59,217,886

The accompanying notes are an integral part of these financial statements.

WATER AUTHORITY OF GREAT NECK NORTH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
OPERATING REVENUES:	
Water sales - residential and apartments	$ 8,822,596
Water sales - commercial and municipal	1,226,627
Fire protection	736,684
TOTAL OPERATING REVENUES	10,785,907
OPERATING EXPENSES:	
Administrative	4,163,441
Transmission and distribution	1,330,584
Source of supply, power and pumping	635,713
Purification	229,591
Depreciation	2,856,108
TOTAL OPERATING EXPENSES	9,215,437
OPERATING INCOME	1,570,470
NON-OPERATING REVENUES (EXPENSES):	
Interest and other non-operating revenue	4,877,255
Amortization of bond premium and gain/loss on refunding	(62,213)
Bond issuance costs	(3,446)
Rental of real property	380,503
Interest on water system revenue bonds	(1,367,799)
Costs to be recovered from future revenues	453,200
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,277,500
INCOME BEFORE CAPITAL CONTRIBUTIONS	5,847,970
CAPITAL CONTRIBUTIONS	
Developers and customers	92,525
CHANGES IN NET POSITION	5,940,495
NET POSITION - BEGINNING	53,277,391
NET POSITION - ENDING	$ 59,217,886

The accompanying notes are an integral part of these financial statements.

WATER AUTHORITY OF GREAT NECK NORTH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	$ 10,590,645
Payments to suppliers for goods and services	(3,309,446)
Payments to employees for services and benefits	(3,345,262)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,935,937
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets (net of retirements/transfers)	(3,564,884)
Contributions for capital assets	92,525
Payments on revenue bonds and EFC notes	(643,466)
Bond issuance costs	(3,446)
Interest paid	(1,505,746)
NET CASH PROVIDED BY OR (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(5,625,017)
CASH FLOWS FROM INVESTING AND OTHER NON-OPERATING ACTIVITIES:	
Proceeds from sale of investments	15,101,790
Purchase of investments	(23,500,000)
Decrease in construction fund - restricted	6,351,344
Rental income received	264,886
Interest and dividends received	4,877,256
NET CASH PROVIDED BY OR (USED IN) INVESTING AND OTHER NON-OPERATING ACTIVITIES	3,095,276
	1,406,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,701,993
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 11,108,189
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income	$ 1,570,470
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	2,856,108
Increase in accounts receivable	(227,472)
Increase in accrued unbilled revenue	(22,860)
Increase in interest and other accounts receivable	(344,298)
Increase in prepaid expense and other assets	(36,498)
Increase in inventory, materials and supplies	(188,532)
Increase in deferred outflows for pension related benefits and OPEB	(93,535)
Increase in the net pension liability	2,762,193
Increase in costs to be recovered from future revenues	1,475,120
Decrease in accounts payable and accrued expenses	(217,962)
Decrease in retainage payable	(670,566)
Increase in customer deposits	399,368
Decrease in deferred inflows for pension related benefits and OPEB	(3,325,599)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,935,937

The accompanying notes are an integral part of these financial statements.

NOTE 1. Summary of Significant Accounting Policies

A. Organization

The Water Authority of Great Neck North (the "Authority") is a public benefit corporation created in 1985 under Public Authorities Law of the State of New York. The Authority was created to acquire, construct, finance, operate and maintain the supply and distribution system for the benefit of the residents within the boundaries of the Water Authority of Great Neck North. The Authority commenced operations in 1989 and currently provides water service to approximately 32,400 customers.

The Authority is governed by a board of directors consisting of eight members. The chief executive officers of the Incorporated Villages of Great Neck, Great Neck Estates, Great Neck Plaza, Kensington, Kings Point, Saddle Rock, Thomaston and the Town of North Hempstead appoint one director.

B. Basis of Accounting

The accompanying financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial reporting principles. The Authority is engaged only in business-type activities as defined in GASB Statement No. 34, amended by GASB No. 62. Prior to the adoption of GASB No. 62, the Authority had elected to adopt private sector standards of accounting and financial reporting issued prior to December 1, 1989, which generally followed enterprise fund financial statements to the extent that those standards did not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Authority's adoption of GASB No. 62 has incorporated the aforementioned provisions and eliminated the requirement to make such election.

C. Basis of Presentation

GASB Statement No. 54 requires resources be classified for accounting and financial reporting purposes into the following three components:

a) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and deferred outflows of resources attributable to the acquisition, construction, or improvement of those assets. These assets are reduced by the outstanding balances of any bonds, notes, or other borrowings and deferred inflows that may be attributable to the respective capital assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, the portion of the debt is included in the same asset component as the unspent proceeds.

b) Restricted - Consists of net assets 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, including those provisions which are enacted by the Authority's own governing body.

c) Unrestricted - All other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

D. Cash and Cash Equivalents and Investments

Funds held by the Authority are administered in accordance with the Authority's investment guidelines pursuant to Section 2925 of the New York State Public Authorities Law. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities. Certain investments and cash and cash equivalents have been designated by the Authority's Board of Directors to be used for specific purposes, including rate stabilization, debt service, and capital expenditures. Investments' carrying values are reported at fair market value. Refer to Note 3 for further Detail.

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents and Investments (cont'd)

Investments with original maturities of 90 days or less when purchased are considered cash equivalents. Investments with original maturities of longer than 90 days when purchased are reported as investments and are carried at fair value, except for certificates of deposit. Certificates of deposit are valued at cost, which approximates fair value.

E. Receivables

Receivables consist primarily of water rents receivable and miscellaneous receivables relating to operating costs for certain wells. At December 31, 2023 the Authority considered all remaining accounts receivable to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

F. Accrued Unbilled Revenues

Accrued unbilled revenues represent revenue earned in the current year but not billed to customers until future dates, usually three months, and based on billings occurring in the first two months of the succeeding year using historical trends.

G. Materials and Supplies

Materials and supplies are stated at cost, which approximates lower of cost or market on a last in last out basis. The Authority maintains a perpetual inventory system.

H. Capital Assets (Property and Equipment)

Capital assets are carried at cost. Improvements, renewals and significant repairs that extend the life of the asset are capitalized, other repairs and maintenance costs are expensed as incurred. The capitalized cost of additions to property and equipment includes construction costs such as labor and materials. The Authority's capitalization threshold is $5,000. Depreciation is provided on the straight-line basis using the various lives for each asset which range between 5 and 90 years. Organization and acquisition costs are amortized on the straight-line basis over 30 years. When assets are retired or otherwise disposed of, the related assets and accumulated depreciation is written off and any unrelated gains or losses are recorded.

I. Leases (Lessor)

The Authority is a lessor for noncancellable leases of various cell towers. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include (1) the discount rate, (2) the lease term and (3) lease payments. The Authority uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value. The lease term includes the noncancellable period of the lease. Lease receipts included in the measured of the lease receivable is composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1. Summary of Significant Accounting Policies (continued)

J. Cash Construction Fund

The Authority's bond resolutions authorizing the Series 2016 and 2019 bond issues established a Construction Fund in which the proceeds of the bond are deposited. Amounts paid from the Construction Fund are restricted to the cost of improvements or the replacement of the water system specified in the bond resolution. Amounts held in the Construction Fund are recorded as restricted assets in the accompanying statements of net position.

K. Renewal and Replacement Fund

In accordance with the Authority's bond resolution, monies in the Renewal and Replacement Fund may be applied to the cost of improvements or betterment to, or the replacement of the water system. Deposits to the Renewal and Replacement Fund are set forth in the annual budget. Amounts held in the Renewal and Replacement Fund are recorded as investments in the accompanying statements of net position.

L. Debt Issuance Costs, Bond Discount and Premiums, and Other Bond Related Costs

As of January 1, 2013, the Authority had adopted GASB No. 65 which requires bond discounts or premiums to be amortized over the life of the related bond issues and are reported net of accumulated amortization.

Losses on refunding are reported as a deferred outflows of resources with the application of GASB No. 65, the balance of which was $743,576 as of December 31, 2023, in the accompanying statement of net position. Bond discounts were $48,240 as of December 31, 2023. Bond premiums were $1,844,212 as of December 31, 2023.

M. Revenue Recognition

Revenues from water sales are recognized at the time of service delivery based on actual or estimated water meter readings. Billings for water service are generally rendered on a quarterly basis except for certain consumers, which are billed monthly since they generally use large volumes of water. The Authority has the power to independently set rates and charges, which are sufficient to meet its obligations, and is not subject to the regulation of any department or commission, including the State Public Service Commission. The Authority has elected to record bad-debts using the direct write-off method. GAAP requires the allowance method to be used to recognize bad debts, however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

N. Operating and Non-Operating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items in the preparation of its financial statements. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Water service revenues are recognized based on actual customer water usage, including estimates for unbilled periods. The Authority's operating expenses include operations and maintenance expenses. The Authority defined non-operating revenue as interest earnings on investments, realized gains or losses on sales of investments, miscellaneous rental income and any other revenue not defined as operating revenue. Non-operating expenditures are defined as interest expense on long-term debt, gain/losses on disposals of capital assets and any other expenditure not defined as operating.

O. Order of Use of Funds

Pursuant to resolution, revenues received are used as follows: (1) payment of operations and maintenance expenses, (2) payment of debt service, and (3) any lawful purpose of the Authority, including use by the construction fund. The payment of capital expenditures is generally done with restricted bond proceeds and other restricted resources.

NOTE 1. Summary of Significant Accounting Policies (continued)

P. Costs To Be Recovered From Future Revenues

The Authority's cost recovery rate model used to establish rates, fees and charges includes an amount for postemployment benefits other than pensions that are expected to be paid out during the fiscal year, but not for the amount of the net change in the total OPEB liability as calculated under GASB Statement No. 75, *Accounting and Financial reporting by Employers for Postemployment Benefits Other than Pensions*. In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority has deferred the excess of the accumulated unfunded OPEB obligation over the amount paid during the fiscal year. The costs will be recovered through future revenues in accordance with the Authority's rate model.

Q. Income Taxes

As a public benefit corporation of the State of New York, the Authority is exempt from federal and state income taxes, as well as state and local property and sales tax.

R. Insurance

The Authority purchases insurance against liability for most risk including, but not limited to, property damage and personal injury. 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.

S. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and deferred outflows for resources, and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of capital assets; allowances for receivables and inventory, the valuation of financial instruments other than cash, accrued water services and fire protection revenues, accrued employee welfare costs, workers' compensation, pension and postemployment benefits, and other uncertainties and other contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

T. Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Authority reports three items which qualify for reporting in this category, a deferred charge on refunding, pension contributions made subsequent to the pension plan's measurement date but prior to the fiscal year end and changes in OPEB assumptions. A deferred charge on 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 new refunding debt. Pension contributions made after the measurement date will be reflected as a change in the pension liability in the years for which the contribution pertains to. The third item represents changes in OPEB assumptions that are not recognized in OPEB expense. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1. Summary of Significant Accounting Policies (continued)

U. Deferred Inflows and Deferred Outflows of Resources

The Authority reports three categories of deferred inflows of resources. The first item represents the effect of the net change in the Authority's proportion of the collective net pension liability and difference during the measurement periods between the Authority's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item represents the difference between expected and actual experience in the OPEB actuarial valuation. The third item represents leases which are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

V. Adoption of New Accounting Standards

The Agency has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended December 31, 2023, The Agency adopted the following:

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement establishes standards of accounting and financial reporting for public-public partnership arrangements (PPPs) and Availability Payment Arrangements (APAs). The requirements of this statement are effective for the Authority's fiscal year ended December 31, 2023. The Authority has completed its evaluation of the financial impact of GASB Statement No. 94 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements (SBITAs)", the objective of this Statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This statement requires establishing an intangible right-to-use subscription asset and a corresponding subscription liability. The requirements of GASB Statement No. 96 are effective for the Agency's fiscal year ended December 31, 2023. The Authority has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

NOTE 2. Cash, Cash Equivalents and Investments

The guidelines established by the Authority permit the investment of funds held by the Authority and funds held in trust for the Authority to be invested in accordance with New York State Public Authority Law. Investments must be in the form of obligations of the State of New York, or in general obligations of its political subdivisions, obligations of the United States or its agencies whose principal and interest payments are fully guaranteed by the federal government, and in collateralized time deposits or certificates of deposits issued by a commercial bank or trust company, which is a member of the Federal Deposit Insurance Corporation (FDIC).

The Authority's investment policy limits its deposits and investment activity to time deposits, demand deposits, certificates of deposit issued by banks or trust companies and direct obligations of the United States of America.

It is the Authority's policy to require its demand deposits, money market deposits and certificates of deposit, not controlled by the Trustee, U.S. Bank, to be fully collateralized by federal deposit insurance or other collateral held in the name of the Authority or to be secured by a letter of credit. Obligations that may be pledged as collateral are obligations of, or guaranteed by, the United States of America and its agencies.

NOTE 2. Cash, Cash Equivalents and Investments (continued)

Cash, cash equivalents and investments on deposit are as follows:

	2023
Cash and cash equivalents	$ 11,108,189
Operating fund - investment	8,712,316
Renewal and replacement fund - investment	4,236,183
Rate stablization fund - investment	394,438
Construction fund - restricted	8,932,939
	$ 33,384,065
Demand and time deposits banks	$ 20,041,128
Investments - United States Treasury Bill and Notes	13,342,937
	$ 33,384,065

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 the deposits, or recover collateral securities that are in possession of an outside counterparty, or recover the value of its investments or collateral securities that are in possession of an outside party.

At December 31, 2023 the Authority's bank deposit balances (including amounts held with trustee) were $20,040,628 of which $500,000 at December 31, 2023 was covered by the Federal Deposit Insurance Corporation and the remainder was covered by collateral held by the Authority's agent, a third-party financial institution, in the Authority's name.

As of December 31, 2023, the Authority held $13,342,937 in United States Treasury notes which had a maturity of less than one year and were recorded at the fair market value as of the balance sheet date.

Credit Risk- State law limits investments to those authorized by State statutes. The Authority has a written investment policy that is in conformity with those statutes.

Concentration of Credit Risk - Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of five percent or more in securities of a single issuer.

Interest Rate Risk - Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if the interest rate substantially increases, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid potential loss. The Authority did not have any investments subject to credit risk, interest rate risk or concentration of credit risk.

NOTE 3. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level l inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of December 31, 2023:

- U.S. Treasury securities with a maturity of less than one year, of $13,342,937, as of December 31, 2023, valued using quoted market prices (Level l inputs).

NOTE 4. Capital Assets (Property and Equipment)

A summary of capital asset transactions for the year ended December 31, 2023 is as follows:

	2023			
	Beginning Balance 1/1/2023	**Addition / Transfers**	**Retirements / Transfers**	**Ending Balance 12/31/23**
Non Depreciable Capital Assets				
Land	$ 639,639	$ -0-	$ -0-	$ 639,639
Construction in Progress	16,990,273	3,564,884	(18,315,175)	2,239,982
Total Non Depreciable Capital Assets	17,629,912	3,564,884	(18,315,175)	2,879,621
Depreciable Capital Assets				
Buildings	1,932,613	227,107	-0-	2,159,720
Transportation equipment	4,052,740	140,635	-0-	4,193,375
Other equipment	3,356,313	186,731	-0-	3,543,044
Organization and acquisition	725,646	-0-	-0-	725,646
Infrastructure:				
Pumping and purification	54,902,694	15,754,676	-0-	70,657,370
Transmission and distribution	35,470,309	2,006,026	-0-	37,476,335
Total Depreciable Capital Assets	100,440,315	18,315,175	-0-	118,755,490
Less: Accumulated depreciation for:				
Buildings	857,109	51,145	-0-	908,254
Transportation equipment	1,298,754	115,541	-0-	1,414,295
Other equipment	1,267,643	346,244	-0-	1,613,887
Organization and acquisition	725,628	-0-	-0-	725,628
Infrastructure:				
Pumping and purification	15,473,675	1,632,465	-0-	17,106,140
Transmission and distribution	10,741,631	710,713	-0-	11,452,344
Total Accumulated Depreciation	30,364,440	$ 2,856,108	$ -0-	33,220,548
Depreciable Capital Assets, Net of Accumulated Depreciation	70,075,875			85,534,942
Total Net Capital Assets	$ 87,705,787			$ 88,414,563

Depreciation of capital assets totaled $2,856,108 for the year ended December 31, 2023.

NOTE 5. Water System Revenue Bonds and EFC Financing Bonds

Water System Revenue Bonds

In December 2019, the Authority issued $19,800,000 of 2019 Series Water System Revenue Bonds at an interest rate of 3% to 4% with a term of 30 years. The Authority received a premium of $403,637 at issuance. These bond proceeds will be used to finance capital improvements.

In April 2016, the Authority issued $24,640,000 of 2016 Series Water System Revenue Bonds. These bond proceeds were used to refund the 2008 Series Water System Revenue Bonds. These refunded bonds are considered defeased and, accordingly, the liability for the bonds payable and the assets held to repay the debt are not recorded in the Authority's financial statements.

In connection with the Authority's refundings, the Authority recorded a difference between the reacquisition price and the net carrying amount of the refunded debt of $1,455,298. This balance is being reported as deferred outflows, loss on debt refunding, and will be amortized as an increase in interest expense over remaining term of the original life of the refunded bonds. These refundings reduced the Authority's debt service payments in future years by $9,404,000 and resulted in an economic gain (the present value of the savings) of approximately $4,150,000.

In connection with the Authority's bond issues, the Authority received premiums at issuance totaling $2,758,033. The Authority amortizes the premiums received as a reduction in interest expense over the life of the respective bond issue.

EFC Financing Bonds

The state of New York has established a State Drinking Water Program, which includes a state drinking water revolving fund (the Revolving Fund) to be used for purposes of the Safe Drinking Water Act. The New York State Environmental Facilities Corporation (NYSSEFC) is responsible for administering the Revolving Fund and providing financial assistance from the Revolving Fund.

- Effective July 2015, the program allowed the Authority to receive an interest free loan in the maximum amount of $11,175,500 (series 2015A Notes), and a maximum grant of $3,862,500. The loan principal repayments began in August 2017 and matured in August 2020. The Authority would receive $8,203,807 through the program and on March 5, 2020, the Storm Mitigation Loan Program Grant released $2,126,576 of the total amount owed. On July 2, 2020 the Authority issued a 30 year note of $6,077,231 to the EFC at 0% interest for the remaining amounts owed under these notes. As of December 31, 2023, the total amount owed was $5,267,080.
- Effective July 2, 2020 the program allowed the Authority to receive an interest free loan in the maximum amount of $5,874,570 (Series 2020 Note), and a maximum grant of $1,735,924. The loan principal repayment began in November 2020 and matures on July 2, 2025 at which time the Authority may choose to issue a 30-year note to the EFC at 0% interest or pay the principal due. During 2022, the EFC advanced an additional $1,078,801 under these notes. This was an additional funding resulting in a total amount owed of $5,621,570 as of December 31, 2023.

NOTE 5. Water System Revenue Bonds and EFC Financing Bonds (continued)

WIFIA Loan

The United States Environmental Protection Agency has established the Water Infrastructure Finance and Innovation Act ("WIFIA") a program that accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. The Authority was granted a loan of $13,800,000 in October 2021 at an interest rate of 2.07% maturing in 2053. As of December 31, 2023 the Authority had drawn down $13,800,000. Principal payments of $315,000 were made during 2023 and as of December 31, 2023 the total amount owed was $13,485,000.

Bond Covenants

The Authority covenants in its Bond Resolution that it will establish water rates so that each year net revenues shall equal the greater of (1) the sum of its aggregate debt service on all bonds outstanding plus the deposits required to fund the Bond Fund and Renewal and Replacement Fund as stated in the Bond Resolution or (2) 110% of the sum of the aggregate debt service. Net revenues are defined as revenues for any period less operating expenses used to maintain reasonable and necessary working capital and operating reserves for such period. As of December 31, 2023, the Authority is in compliance with its financial covenants.

The following is a schedule of water revenue bonds and other long-term debt:

	Beginning Balance 1/1/2023	Additions	Refundings and Reductions	Ending Balance 12/31/2023	Due in One Year
Bonds:					
2020 EFC Statutory Installment Bond	5,469,491	-	(202,411)	$ 5,267,080	202,580
2020 EFC Water Facility Notes	5,731,070	-	(109,500)	$ 5,621,570	107,000
2016 Water System Revenue Bonds	16,440,000	-	-	$ 16,440,000	810,000
2019 Water System Revenue Bonds	19,355,000	-	(20,000)	$ 19,335,000	25,000
2021 WIFIA Bond	13,800,000	-	(315,000)	$ 13,485,000	335,000
Premium on issuance date	1,973,058	-	(128,846)	$ 1,844,212	-
Less: Deferred loss on refunding	(796,688)	-	53,112	$ (743,576)	-
Less: Discount on bond issuance	(51,685)	-	3,445	(48,240)	-
Total water revenue bonds payable, net of all unamortized balances	$ 61,920,246	$ -	$ (719,200)	$ 61,201,046	$ 1,479,580

NOTE 5. Water System Revenue Bonds and EFC Financing Bonds (continued)

Future principal and interest payments to maturity are as follows:

Years Ending December 31,	Principal	General Obligation Interest	Total
2024	$ 1,479,580	$ 1,467,472	$ 2,947,052
2025	1,616,823	1,417,913	3,034,736
2026	1,661,823	1,366,428	3,028,251
2027	1,726,823	1,317,212	3,044,035
2028	1,761,823	1,270,563	3,032,386
2029-2033	9,589,117	5,593,699	15,182,816
2034-2038	10,909,117	4,258,091	15,167,208
2039-2043	12,144,117	3,044,655	15,188,772
2044-2048	13,624,117	1,552,736	15,176,853
2049-2053	5,635,310	209,077	5,844,387
	$ 60,148,650	$ 21,497,846	$ 81,646,496

NOTE 6. Pension Plan

Plan Description

The Authority participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan collectively known as NYSLRS. This is a cost-sharing multiple-employer retirement system. The NYSLRS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the NYSLRS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the NYSLRS and for the custody and control of its fund. The NYSLRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at 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, NY 12244.

Funding Policy

The NYSLRS is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3 percent of their salary for their first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Those joining after April 1, 2012 are required to contribute between 3 and 6 percent depending upon their salary, throughout active membership. Under the authority of the NYSLRS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSLRS fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2023	$ 298,698
2022	$ 280,004
2021	$ 370,024

NOTE 6. Pension Plan (continued)

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

At December 31, 2023, the Authority reported a liability of $1,979,783 for its proportionate share of the net pension asset. The net pension asset was measured as of March 31, 2023 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of April 1, 2022. The Authority's proportion of the net pension asset was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System to the Authority.

	2023
Actuarial valuation date	April 1, 2022
Net pension liability (asset)	$ 1,979,783
Authority's portion of the Plan's total net pension liability	0.0092323%

For the years ended December 31, 2023, the Authority recognized pension expense of $663,677. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual earnings on pension plan investments	$ 210,862	$ (55,600)
Changes in assumptions	961,510	(10,626)
Net difference between projected and actual investment earnings on pension plan investments	-0-	(11,631)
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,000	(105,767)
Employer contributions subsequent to the measurement date	298,698	-0-
Total deferred outflows (inflows) of resources	$ 1,529,070	$ (183,624)

NOTE 6. Pension Plan (continued)

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

For the Years ending December 31,	ERS
2024	239,436
2025	(116,154)
2026	393,368
2027	530,098
2028	-0-
Thereafter	-0-
	$ 1,046,748

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuation were as follows:

	ERS 2023
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015-March 31, 2020 System's Experience
Inflation rate	2.9%

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 actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected return, 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 arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below.

NOTE 6. Pension Plan (continued)

Actuarial Assumptions (continued)

Asset Type	2023 Target Allocation	Expected Real Rate of Return*
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Real estate	9.00%	4.60%
Private equity	10.00%	7.50%
Opportunistic/Absolute Return Strategy	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

* Long-term expected real rate of return is net of the long-term inflation assumption of 2.50% for 2023.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%, as of December 31, 2023. 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 Liability to the Discount Rate Assumption

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

	2023		
	1% Decrease (4.90%)	Current Assumptions (5.90%)	1% Increase (6.90%)
Authority's proportionate share of the net pension liability/(asset)	$ 4,784,286	$ 1,979,783	$ (363,706)

NOTE 6. Pension Plan (continued)

Pension Plan Fiduciary Net Position

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

		Employees' Retirement System
		(Dollars in Millions)
		2023
Employers' total pension liability	$	232,627
Plan net position		211,183
Employers' net pension assets/(liability)	$	21,444
Ratio of plan net position to the employers' total pension liability		90.78%

NOTE 7. Compensated Absences

Employees of the Authority earn vacation leave each month at a scheduled rate in accordance with their years of service at a rate of one day per month. Unused vacation days for all employees cannot be carried forward to the next year.

NOTE 8. Other Postemployment Benefits (OPEB)

General Information About the OPEB Plan

The Authority sponsors a single employer health care plan that provides postemployment medical benefits for eligible retirees and their spouses through the New York State Health Insurance Plan. Substantially all the Authority's employees may become eligible for these benefits if they reach normal retirement age and 15 years of service and are actively employed by the Authority at the time of retirement. The Authority does not issue a publicly available financial report for the plan.

(a) Category 1 - employees, *other than those who* are in Management Positions, Top Executive Positions, or Unpaid Board Members

i. For all eligible employees in Category 1 who desire and who retire on or before January 1, 2014 and who qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay: (1) FIFTY PERCENT (50%) of the cost per year of individual coverage; (2) THIRTY-FIVE PERCENT (35%) of the additional cost per year for family coverage; (3) FIVE PERCENT (5%) of the total cost per year for family coverage.

ii. Upon retirement, for all eligible employees in Category 1 who retire after January 1, 2014 who desire and qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay: (1) FIFTY PERCENT (50%) of the cost per year of individual coverage; (2) FORTY-SEVEN POINT ONE PERCENT (47.1%) of the additional cost per year for family coverage for all employees who retire after January 1, 2014 and have at least fifteen (15) years of service with the Authority as of the date of retirement.

NOTE 8. Other Postemployment Benefits (OPEB) (continued)

General Information About the OPEB Plan (continued)

iii. Upon retirement on or after December 31, 2014, in addition to the benefit set forth in subdivision ii above, all eligible employees in Category 1 who: (1) have at least twenty (20) years or more of service to the Authority as of December 31, 2014; (2) have given at least 90 days' notice prior to their retirement date; (3) resign for retirement purposes on or before December 31, 2014; and (4) qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay $2,000 per annum (prorated for each monthly premium payment) toward individual coverage plus an additional $4,000 per annum (prorated for each monthly premium payment) toward family coverage. The benefit set forth in this subdivision iii shall not be available for any employee who retires after December 31, 2017.

iv. Upon retirement on or after July 20, 2020, all eligible employees in Category 1 who: (1) are employed by the Authority on the date of their retirement; (2) have at least twenty (20) years or more of continuous service to the Authority through and including the date of their retirement; (3) have given at least 90 days' notice prior to their retirement date; and (4) qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay ONE-HUNDRED PERCENT (100%) of the coverage that they have when they retire.

(b) Category 2 - employees who are in Management Positions

i. Upon retirement, for all eligible employees in Category 2 who desire and qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay:

(1) For all employees with 10 or more, but less than 20 years of service with the authority: FIFTY (50%) of the cost of the individual or family coverage, at the employee's option, and, upon eligibility, ONE-HUNDRED PERCENT (100%) of the cost of Supplementary Medical Insurance.

(2) Upon retirement on or after July 20, 2020, all eligible employees in Category 2 who: (A) are employed by the Authority on the date of their retirement; (B) have at least twenty (20) years or more of continuous service to the Authority through and including the date of their retirement; (C) have given at least 90 days' notice prior to their retirement date; and (D) qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay ONE-HUNDRED PERCENT (100%) of the coverage that they have when they retire.

(c) Category 3 - employees who are in Top Executive Positions

i. Upon retirement, for all eligible employees in Category 3 who are not taking, being or becoming employed or taking any other position or engagement of any kind, full time or part time, with any water district, water authority or water company or other water purveyor, public or private, in Nassau County, Suffolk County or New York City and desire and qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay ONE HUNDRED PERCENT (100%) of the cost of the individual or family coverage, at the employee's option, of such insurance.

NOTE 8. Postemployment Health Care Benefits (continued)

General Information About the OPEB Plan (continued)

ii. Upon retirement, for all other eligible employees in Category 3 who desire and qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay: (1) FIFTY PERCENT (50%) of the cost per year of individual coverage; (2) THIRTY-FIVE PERCENT (35%) of the additional cost per year for family coverage; and (3) FIVE PERCENT (5%) of the total cost per year for family coverage and, upon eligibility, ONE-HUNDRED PERCENT (100%) of the cost of Supplementary Medical Insurance.

(d) Category 4 - employees who are Unpaid Board Members

i. Upon retirement, for all eligible employees in Category 4 who desire and qualify and continue to qualify to receive health benefits pursuant to the Plan upon their retirement, the Authority shall pay none of the cost of the individual or family coverage. The employee shall pay the complete cost.

The Authority accounts for its OPEB obligations, in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.*

Plan Description

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Employees Covered by Benefit Terms

At January 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	15
Active plan members	27
Total	42

Total OPEB Liability

The Authority’s total OPEB liability of $8,911,447 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

NOTE 8. Postemployment Health Care Benefits (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

	2023
Inflation	3.00%
Salary Increases	3.00%
Healthcare cost trend rates	8.00 % decreasing to 5% ultimate

Retiree's share of benefits related costs for both fiscal years:

Category 1:	50%, however, effective with the latest CBA, for post-2021 retirees with 20 years of service at retirement, 0%.
Category 2:	10 years of service: 50%
	20 years of service: 25%
	25 years of service: 0%
Category 3:	0%
Category 4:	100%

The discount rate was based on the S&P Municipal Bond 20-year high grade bond index rate.

Mortality rates were based on PUB-2010 mortality table with MP-2021 projection.

Changes in the Total OPEB Liability

	2023
Balance at January 1,	$ 7,436,327
Changes for the year:	
Service Cost	369,112
Interest	317,911
Changes in Benefit Terms	-0-
Difference between expected and actual experience	482,914
Changes in assumptions and other inputs	425,599
Benefit Payments	(120,416)
Net Changes	1,475,120
Balance at December 31,	$ 8,911,447

NOTE 8. Postemployment Health Care Benefits (continued)

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

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

	1% Decrease (3.00%)	2023 Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	$ 10,359,286	$ 8,911,447	$ 7,752,693

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

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 4.0%) or 1-percentage-point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	2023 Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	$ 7,653,534	$ 8,911,447	$ 10,528,308

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

For the years ended December 31, 2023, the Authority recognized OPEB expense of $573,616. At December 31, 2023 the Authority reported total deferred outflows of resources of $2,679,973 and, and deferred inflows of resources of $2,476,726, related to OPEB.

	2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between expected and actual experience	$ 1,632,284	$ (412,843)
Change of assumptions	1,047,689	(2,063,883)
Net difference between projected and actual earnings of OPEB plan investments	-0-	-0-
Total	$ 2,679,973	$ (2,476,726)

NOTE 8. Postemployment Health Care Benefits (continued)

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

Years ending December 31:	
2024	(113,407)
2025	(113,407)
2026	(113,405)
2027	329,822
2028	129,859
2029-2030	83,785
	$ 203,247

NOTE 9. Leases and Contingencies

Leases

The Authority leases space for telecommunication transmission equipment to various telecommunication companies. Under the lease agreements, the initial lease term is 10 years, with the option to extend for 5 years. The Authority currently has five lease agreements. The Authority reports leases receivable, deferred inflows of resources, and related revenues for the year ended December 31, 2023 of:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Various cell tower leases	$ 3,400,839	$ 3,151,178	$ 434,816	$ 70,946

Below is a list of future lease revenues by year:

	Principal	Interest	Total
2024	444,966	69,415	514,381
2025	422,687	61,187	483,874
2026	359,842	52,437	412,279
2027	364,064	44,988	409,052
2028	386,059	37,452	423,511
2029-2033	1,205,799	81,542	1,287,341
2034-2036	217,422	7,091	224,513
	3,400,839	354,112	3,754,951

The Authority has various insurance policies with third party carriers related to property protection, casualty and statutory and non-statutory employee protection.

The Authority 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 material adverse effect on the financial condition of the Authority.

NOTE 10. Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in these financial statements.

NOTE 11. Recent Accounting Pronouncements

The GASB has issued the following Statements which will be effective in future years:

Statement No. 99, "Omnibus 2022", Effective Date: The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective the year ending December 31, 2024.

Statement No. 100, "Accounting Changes and Error Corrections- an amendment to GASB Statement No. 62", this Statement has been issued to enhance accounting and improve financial reporting related to accounting changes and error corrections. The requirements of this Statement are effective for the year ending December 31, 2024.

Statement No. 101, "Compensated Absences", this Statement has been issued to enhance recognition and measurement guidance for compensated absences under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the year ending December 31, 2024.

WATER AUTHORITY OF GREAT NECK NORTH
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL
OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018
Service Cost	$ 369,112	$ 521,736	$ 455,063	$ 195,464	$ 182,251	$ 180,044
Interest	317,911	202,130	149,024	198,980	207,112	199,594
Changes of benefit terms	-0-	-0-	-0-	939,128	-0-	-0-
Differences between expected and actual experience	482,914	760,902	1,184,115	(530,395)	(253,990)	(9,831)
Changes in assumptions and other inputs	425,599	(2,977,070)	(416,463)	938,260	418,399	-0-
Benefit payments	(120,416)	(109,835)	(109,430)	(137,905)	(142,076)	(184,446)
Net Change in total OPEB liability	1,475,120	(1,602,137)	1,262,309	1,603,532	411,696	185,361
Total OPEB Liability - beginning	7,436,327	9,038,464	7,776,155	6,172,623	5,760,927	5,575,566
Total OPEB Liability - ending	$ 8,911,447	$ 7,436,327	$ 9,038,464	$ 7,776,155	$ 6,172,623	$ 5,760,927
Covered-employee payroll	$ 2,559,616	$ 2,588,781	$ 2,475,656	$ 2,653,571	$ 2,397,408	$ 2,264,862
Total OPEB liability as a percentage of covered-employee payroll	348.16%	287.25%	365.09%	293.04%	257.47%	254.36%
Discount rates	4.00%	4.31%	2.25%	1.93%	3.26%	3.64%
Healthcare cost trend rates	8% decreasing to 5% ultimate	8% decreasing to 5% ultimate	8% decreasing to 5% ultimate	8% decreasing to 5% ultimate	8% decreasing to 5% ultimate	8% decreasing to 5% ultimate
Mortality	PUB-2010 MP2021 projection	PUB-2010 MP2021 projection	"RP2006" with MP2019 projection	"RP2006" with MP2019 projection	"RP2014" with MP2016 projection	"RP2014" with MP2016 projection

Notes to Required Supplementary Information:

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

This schedule is shown on a prospective basis from the year GASB Statement No. 75 is adopted until 10 years of information is presented.

WATER AUTHORITY OF GREAT NECK NORTH
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF THE NYSLRS PENSION PLAN (Unaudited)
AS OF DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.0092323%	0.0095713%	0.0090263%	0.0084670%	0.0083350%	0.0083152%	0.0077198%	0.0075421%
Authority's proportionate share of the net pension liability (asset)	$ 1,979,783	$ (782,410)	$ 8,988	$ 2,242,114	$ 590,558	$ 268,368	$ 725,371	$ 1,210,525
Authority's covered-employee payroll	$ 2,462,390	$ 2,645,997	$ 2,580,231	$ 2,338,075	$ 2,156,202	$ 2,075,670	$ 2,143,237	$ 1,909,209
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	80.40%	-29.57%	0.35%	95.90%	27.39%	12.93%	33.84%	63.40%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

The accompanying notes are an integral part of these financial statements.

WATER AUTHORITY OF GREAT NECK NORTH
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE NYSLRS PENSION PLAN
FOR THE YEARS ENDED DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 298,698	$ 280,004	$ 370,024	$ 304,258	$ 279,185	$ 276,930	$ 298,199	$ 272,574	$ 263,628	$ 298,781	$ 367,756
Contributions in relation to the contractually required contribution	298,698	280,004	370,024	304,258	279,185	276,930	298,199	272,574	263,628	298,781	367,756
Contribution deficiency (excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Authority's covered-employee payroll	$ 2,462,390	$ 2,645,997	$ 2,580,231	$ 2,338,075	$ 2,156,202	$ 2,075,670	$ 2,143,237	$ 1,909,209	$ 1,747,774	$ 1,604,829	$ 1,407,347
Contributions as a percentage of covered-employee payroll	12.1%	10.6%	14.3%	13.0%	12.9%	13.3%	13.9%	14.3%	15.1%	18.6%	26.1%

The accompanying notes are an integral part of these financial statements.

WATER AUTHORITY OF GREAT NECK NORTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Though Entity Identifying Number	Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed-through New York State Environmental Facilities Corporation - Capitalization Grants' for Drinking Water State Revolving Funds	66.468	14-1499804	$ 3,000,000
DEPARTMENT OF HOMELAND SECURITY			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4615-NY	$ 99,330
COVID -19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4480-NY	$ 24,890
			$ 124,220
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,124,220

The accompanying notes are an integral part of these financial statements.

NOTE 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Water Authority of Great Neck North (the "Authority"), under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not represent the financial position, changes in financial position or cash flows of the Authority.

NOTE 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

NOTE 3. Indirect Cost Rates

The Authority has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Satty&Partners
SATTY, LEVINE & CIACCO, CPAS, PC

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

To the Board of Directors of the
Water Authority of Great Neck North
Great Neck, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Water Authority of Great Neck North (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Water Authority of Great Neck North's basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Satty, Levine & Ciacco CPAs PC

Melville, New York
March 25, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of the
Water Authority of Great Neck North
Great Neck, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Water Authority of Great Neck North's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Water Authority of Great Neck North's major federal programs for the year ended December 31, 2023. The Water Authority of Great Neck North's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Water Authority of Great Neck North complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Water Authority of Great Neck North and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Water Authority of Great Neck North's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Water Authority of Great Neck North's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Water Authority of Great Neck North's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Water Authority of Great Neck North's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Water Authority of Great Neck North's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Water Authority of Great Neck North's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Water Authority of Great Neck North's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Satty, Levine & Ciacco CPAs PC

Melville, New York
March 25, 2024

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

The auditors' report expresses an unmodified opinion on the basic financial statements of the Water Authority of Great Neck North.

Internal Control over Financial Reporting:

• Material weakness identified	_______ YES	___√___ NO
• Significant deficiencies identified	_______ YES	___√___ NO
Non-compliance material to financial statements noted	_______ YES	___√___ NO

Federal Awards

Internal Control over Major Programs:

• Material weakness identified	_______ YES	___√___ NO
• Significant deficiencies identified	_______ YES	___√___ NO

The auditors' report expresses an unmodified opinion on compliance for major programs of the Water Authority of Great Neck North.

Audit findings disclosed that are required to be reprinted in accordance with Section 510(a)	_______ YES	___√___ NO

Identification of major programs

CFDA Number	Name of Federal Program
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs $750,000.

Auditee qualified as a low risk auditee	___√___ YES	_______ NO

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None