

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 21, 2025

**NEW ISSUE**

**TAX ANTICIPATION NOTES**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.*

*The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*

**\$4,000,000**  
**CITY OF ELMIRA**  
**CHEMUNG COUNTY, NEW YORK**  
**GENERAL OBLIGATIONS**  
**\$4,000,000 Tax Anticipation Notes, 2025**  
**(the "Notes")**

**Dated: March 7, 2025**

**Due: December 15, 2025**

The Notes are general obligations of the City of Elmira, Chemung County, New York (the "City") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See "TAX LEVY LIMITATION LAW" and "NATURE OF OBLIGATION" herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. The Notes will be issued in denominations of \$5,000 or multiples thereof. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as may be agreed upon with the purchaser on or about March 7, 2025.

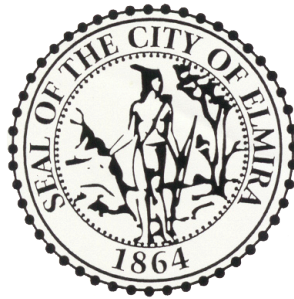
**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com) on February 25, 2025 until 10:30 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the City, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

February \_\_, 2025

THE CITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN ENUMERATED EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "APPENDIX - D, MATERIAL EVENT NOTICES" HEREIN.

# CITY OF ELMIRA

## CHEMUNG COUNTY, NEW YORK



### OFFICIALS AND ADVISORS

DANIEL J. MANDELL, JR.

Mayor

### THE COUNCIL

NICHOLAS J. GRASSO  
JOSEPH H. DUFFY  
JACQUELINE WILSON

COREY COOKE  
J. GARY BRINN  
NANETTE M. MOSS

### CITY OFFICIALS

P. MICHAEL COLLINS

City Manager

CHARMAIN CATTAN

City Chamberlain

CHRISTINA C. RODRIGUEZ

City Clerk

JOHN J. RYAN, JR., ESQ.

Counsel



FISCAL ADVISORS & MARKETING, INC.

City Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel

No person has been authorized the City to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

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**PREPARED WITH THE ASSISTANCE OF**



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**OFFICIAL STATEMENT  
OF THE  
CITY OF ELMIRA  
CHEMUNG COUNTY, NEW YORK**

**Relating To  
\$4,000,000 Tax Anticipation Notes, 2025**

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Elmira, Chemung County, New York (the “City,” “County,” and “State,” respectively), in connection with the sale by the City of \$4,000,000 principal amount of Tax Anticipation Notes, 2025 (referred to herein as the “Notes”).

The factors affecting the City’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

**THE NOTES**

**Description of the Notes**

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011. See “NATURE OF THE OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes will be dated March 7, 2025 and will mature December 15, 2025. The Notes are not subject to redemption prior to maturity. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

**No Optional Redemption**

The Notes are NOT subject to redemption prior to maturity.

**Purposes of Issue**

The Notes are being issued pursuant to a resolution that was adopted by the City Council on August 7, 2017 in accordance with the Constitution and statutes of the State of New York, including among others the City Charter and the Local Finance Law, to authorize, from time to time and year to year, the issuance and sale of tax anticipation notes in anticipation of the collection of taxes levied or to be levied.

Section 24.00 of the Local Finance Law authorizes the City to issue tax anticipation notes during and up to ten days prior to the commencement of a fiscal year in anticipation of the collection of taxes levied or to be levied for such fiscal year. Such tax anticipation notes may not be issued in an amount in excess of the amount of taxes levied or to be levied which is uncollected at the time of the issuance of the tax anticipation notes, less the amount of previously issued tax anticipation notes issued in anticipation of such taxes. The proceeds of the tax anticipation notes may be used only for purposes for which the taxes in anticipation of which the tax anticipation notes are to be issued were levied or are to be levied.

Whenever the principal amount of the tax anticipation notes equals the amount of taxes remaining uncollected for the fiscal year for which the taxes were or are to be levied, all such uncollected taxes, as thereafter collected, must be set aside in a special bank account to be used only for the payment of the tax anticipation notes, unless other provision is made by budgetary appropriation for the redemption of the tax anticipation notes.

The Notes are being issued to provide moneys to meet a cash flow deficit expected to occur during the period the Notes are outstanding (See “ESTIMATED MONTHLY CASH FLOW” attached hereto as APPENDIX – C1). Such cash flow deficit will result from the fact that the dates anticipated for the collection of taxes do not conform to the expected cash needs of the City’s operating budget that are expected to occur during the period the Notes are outstanding.

## NATURE OF THE OBLIGATION

Each of the Notes when duly issued and paid for will constitute a contract between the City and the holder thereof.

Holders of any series of notes or bonds of the City may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the City’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Information - Tax Levy Limitation Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way.” Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644

(1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

### **BOOK-ENTRY-ONLY SYSTEM**

DTC will act as securities depository for the Notes and the Notes, if book-entry-only format is chosen by the successful bidder. The Notes and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Notes. A fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 110 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment, principal and interest to DTC is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OR ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES, (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE CITY MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Notes**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at the City. The Notes will remain not subject to redemption prior to their stated final maturity date.

# THE CITY

## General Information

The City, which is the County Seat for the County of Chemung, is located in the south-central part of the County, surrounded on three sides by the Town of Elmira. It is in the Southern Tier of New York and is a short distance north of the Pennsylvania state line. It is the principal city of the 'Elmira, New York Metropolitan Statistical Area' which encompasses the County of Chemung. The City has a total area of 7.57 square miles, of which, 7.3 square miles is land and 0.27 square miles is water.

The Elmira-Chemung County metropolitan area is a gateway to the Finger Lakes region and is the focal point of industry, business and recreation in the “Twin Tiers” area which is comprised of the New York Counties of Chemung, Steuben, Schuyler and Tioga and the Pennsylvania Counties of Bradford and Tioga. The City lies near the heart of a “Technology Triangle” which is bounded by the Cities of Binghamton (55 miles to the East), Corning (18 miles to the West) and Ithaca (36 miles to the North). In addition, the City falls within the “Ceramic Corridor” which begins in the City and goes west through the City of Corning to the Town of Alfred.

## Population Trends

<u>Year</u>	<u>City Population</u>
1980	35,327
1990	33,724
2000	30,940
2010	29,200
2018	27,695
2019	27,054
2020	26,523
2023 (estimated)	26,176

Although the population of the City has declined, recent rates of decline are comparable to cities with similar demographic characteristics.

Source: U.S. Census Bureau, Population Estimates Program (PEP).

## Form of City Government

The City began as the Village of Newtown in 1815. In 1828, the name was changed to Elmira. The City was incorporated in 1864, and its original charter was adopted by the New York State Legislature as Chapter 139 of the Laws of 1864. In 1934, the City adopted the City Manager form of government.

The governing body is the Council, composed of a Mayor who is elected at-large and six Council members who are elected by the electors of their respective legislative districts. Historically, the Mayor and Council members served two-year terms. Starting in 2007, resident voters elected a Mayor and Council members for a four-year term commencing January 1, 2008 through December 31, 2011. This change provided stability in government operations and allows for long-range planning and project implementation.

The City Manager serves at the pleasure of the Council. The Corporation Counsel and the City Chamberlain serve at the pleasure of the City Manager. The Council appoints the City Clerk for a four-year term, and appoints the City Assessor for a six-year term. The Police Chief and Fire Chief are appointed by the City Manager for indefinite terms under the regulations and rules of Civil Service.

## Elmira Water Board

The Elmira Water Board (“EWB”) is a municipal water department and a body corporate established by Chapter 535 of the Laws of 1950 which provides water service to much of the County, including the City, and is a separate corporate entity under the Charter of the City. The Charter provides that all real property owned by EWB shall be held in the name of the City. The executive body of the EWB, which manages operations of the Board, consists of five commissioners elected by residents of the City. Indebtedness of the EWB is issued through the City and is general obligation debt of the City. Increases in rates and revenues from water sales are expected to offset any future debt service or operational expense increases.

The Charter of the City of Elmira (the “Charter”) states:

“The water department of the City of Elmira shall consist of a board of five water commissioners to be known as the “Elmira Water Board” which shall be a body corporate and in that name may sue and be sued...”

The Charter further provides that “profits or surplus” resulting from the operation of the water works system may be used by the City for general municipal purposes provided the City Council submits a request to the EWB within a designated time period established by the Charter. Since 2012 the City Council has submitted an annual request to share in the EWB’s “profits or surplus”. Each year the EWB has denied the request. In 2014, the City commenced a legal action against the EWB seeking a judicial determination that the EWB was legally obligated to share its “profits or surplus” with the City. The action is presently pending, and discovery is being conducted.

Operating revenues of EWB consist of user fees. Operating expenses consist of salaries, wages and benefits, contractual services and depreciation and amortization. Transactions related to capital and financing activities, non-capital financing activities, investing activities and inter-fund transfers from other funds are components of non-operating income. EWB is an Enterprise Fund of the City of Elmira. Separate audited financial statements are issued for the Elmira Water Board, which can be obtained by writing to The Elmira Water Board, General Manager, 261 W. Water Street, Elmira, New York 14901.

*Water Board Statement of Activities and Change in Net Position*

<b>FISCAL YEARS ENDING DECEMBER 31:</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Operating Revenues:					
Water Sales	\$ 8,163,530	\$ 8,575,198	\$ 8,400,375	\$ 8,319,936	\$ 8,217,113
Other Revenue	641,767	457,256	552,683	939,124	1,084,585
Total Revenue	8,805,297	9,032,454	8,953,058	9,259,060	9,301,698
Total Operating Expenses	7,694,262	8,423,520	7,649,434	7,922,821	8,789,799
Operating Revenues Over Expenses	1,111,035	608,934	1,303,624	1,336,239	511,899
Non-Operating Revenues (expenses)					
Interest Income	22,260	16,787	10,999	15,636	87,691
Interest Expense	(116,302)	(100,642)	(75,383)	(44,231)	(51,871)
Other Income/(expense)	(10,032)	46,608	30,111	(52,842)	(42,151)
<b>Change in Net Position</b>	<b>1,006,961</b>	<b>571,687</b>	<b>1,269,351</b>	<b>1,254,802</b>	<b>505,568</b>
Cost Effect of New Accounting Principle (Implementation of GASB 75)	-	-	-	-	-
<b>Net Position at End of Year</b>	<b>\$36,240,704</b>	<b>\$36,812,391</b>	<b>\$38,081,742</b>	<b>\$39,336,544</b>	<b>\$39,842,112</b>

Source: 2019 through 2023 audited financial statements of the Elmira Water Board. This table itself is not audited.

See also “LITIGATION” section herein for additional information regarding an Environmental Protection Agency directed remediation project.

## Education

The Elmira City School District (the “District”) serves approximately 5,500 students from the City and major portions of the Towns of Southport, Elmira, Ashland, Chemung and Baldwin. The District operates as a separate governmental entity with its own taxing and borrowing authority. The District’s mission emphasizes self-motivation and an education that fosters the students’ ability to make knowledgeable and responsible career and academic choices. The District includes 11 schools: 4 primary elementary schools serving Pre-K-2; 4 intermediate elementary schools serving grades 3-6; 1 middle school serving grades 7-8; 1 middle school serving grade 9; and 1 high school serving grades 10-12. Its Early Childhood Program offers all-day kindergarten and pre-school. The District is considered a small city school district and all of its schools are Title I schools. The District mission is “The Elmira City School District is a dynamic and innovative learning organization dedicated to developing learners of character who value their educational experience and can compete globally and contribute locally by collaborating with students, families, and community partners to provide meaningful opportunities in a safe and engaging environment for all.”

In 2000, the District undertook an \$88 million capital improvement project to modernize and expand facilities and also improve accessibility, resulting in completed buildings with large, modern libraries, bright classrooms and cafeterias. Safety has also been improved with video cameras, door sensors and limited visitor entry at all schools. The technology infrastructure of the district has been upgraded and improved as a result of the “Districtwide Technology 2014” project, upgrading building-to-building speeds to 10gb and improving security, management, and maintenance of the network. The 2018-2021 Goals and Objectives of the Technology Project built upon this foundation by providing standardized computer-based instruction and assessment to ensure the preparedness of all students for computer-based testing, and the students’ college- and career-readiness for the 21<sup>st</sup> century. During the coronavirus global pandemic, the 2021-2024 Learning Technology Grant Program was launched, in which Elmira City School District partnered with four neighboring rural districts (Campbell-Savona CSD, Hornell CSD, Spencer Van-Etten CSD, and Waverly CSD), Notre Dame High School (non-public in Elmira CSD), and the University of Rochester Warner School of Education (Warner team) to lead the RESET Project (RE-imagined and Systemic Educational Transformation through Technology). The RESET Project focused on grades 9-12, and programming, implemented at six public high schools and one non-public high school over the three-year grant period, supported the integration of educational technology and blended learning practices across core subject areas (English, mathematics, science, and social studies). As a result of the RESET project, curriculum coordinators and teacher leaders participated in additional leadership training, targeted professional development, mentoring through PLCs, and individualized coaching that increased their capacity for training/coaching roles to support the implementation of new practices by classroom teachers. Subsequently, a total of 100 core subject teachers across the district were trained to implement technology in educational practices to increase engagement, facilitate learning through different mediums, create student-centric classrooms, and develop students’ 21st century skills.

### *Charter School*

In Fall 2015, Elmira’s first public charter school, Finn Academy, opened its doors to students for the first time serving initial grades K-3 and 214 students. Since then, additional classes have been added, and now include fourth through sixth grades. The school serves approximately 340 students today.

### *Religious Schools*

Notre Dame High School serves students from Grade 7 through 12. The school serves approximately 242 students, with a student teacher ratio of 10-to-1. Course offerings include the usual Math, English, Science, History, Social Studies, and Religion courses as well as Art, Chorus, Theatre, Band, and foreign languages including Spanish and Mandarin Chinese. Extracurricular offerings include Student Council, Honor Society, theatre, chorus and concert choir, various bands including Jazz and Symphonic band, Youth Court, Math League, Robotics competition, Science Olympiad, yearbook and newsletter.

### *Elmira College*

Elmira College is a private, co-educational college established in 1855 as Elmira Female College. Elmira Female College was the nation’s first higher educational institution that granted degrees to women equivalent to those granted by male-only colleges in the mid-1800s. Elmira College has changed dramatically since its founding. Today, Elmira College is a non-sectarian, four-year liberal arts college offering undergraduate programs leading principally to the Bachelor of Arts degree. It also offers various associate degrees and a Master of Science degree in education. Through its continuing education program, the college offers a variety of programs on a full and part time basis. Elmira College is one of the world’s leading centers commemorating Mark Twain (Samuel Clemens). The college offers a specialized degree in Mark Twain Studies and hosts conferences and lecture series regarding Mark Twain.

Furthermore, Elmira College and Elmira native Tommy Hilfiger announced a partnership to open Tommy Hilfiger Fashion Business School, offering a concentration and a minor in fashion marketing and fashion merchandising. Tommy and siblings Andy and Betsy worked with Elmira College, and the program was launched in Fall 2021. In addition, Elmira College and the Fashion Institute of Technology (FIT), a college of the State University of New York, have partnered to offer students in Elmira's Tommy Hilfiger Fashion Business School program an opportunity to apply to FIT's Global Fashion Management Master's in Professional Studies program.

### *Lake Erie College of Osteopathic Medicine*

In July 2019, the New York State Board of Regents granted approval to Lake Erie College of Osteopathic Medicine (LECOM) to open a medical school in Elmira, NY. This makes Elmira one of only 180 cities in the United States with a medical school. LECOM eventually expects to accommodate up to 480 students at its Elmira campus. In addition, LECOM and Elmira College have entered into an agreement whereby LECOM annually admits to its first-year of medical school a designated number of Elmira College graduates meeting LECOM's admission standards. LECOM invested nearly \$20 million into the 49,000 square foot project and received a \$3 million grant under the NYS Regional Economic Development Award program. Construction of LECOM's facilities was completed in Spring 2020. As of July 2024, the College has welcomed five classes of students.

### **Health Care**

St. Joseph's Hospital celebrated 115 years of service to the community in 2023, with medical and technical professionals serving 176 beds. Established in 1888, Arnot-Ogden Medical Center is a nonprofit institution with 256 beds. In 2006, New York State's Berger Commission issued recommendations as part of an attempt to control health-care costs to hospitals and medical providers statewide. One of the recommendations was that the Arnot-Ogden Medical Center and St. Joseph's Hospital merge. After extensive talks between the two organizations, the hospitals agreed to establish primary care clinics to serve Medicaid patients and to use standardized, high-quality treatment practices. In 2011, Arnot-Ogden Medical Center and St. Joseph's announced that they signed a formal integration agreement to consolidate into a regional healthcare system serving the communities of the Twin Tiers region of New York and Pennsylvania.

In April 2023, Arnot Health and Cayuga Health System, based in Ithaca, NY, announced that they were exploring a collaboration that would mutually benefit the communities they serve. A feasibility study was conducted to determine potential ways to cooperate in boosting "sustainable, high quality, and affordable healthcare" services in the region. On October 9, 2023, the Boards of Directors of Arnot Health and Cayuga Health announced that they were seeking NY State approval to affiliate as members of one company wherein each system is expected to remain intact and dedicated to the mission of serving their local communities. On January 7, 2025, the organizations issued a joint statement to confirm their new affiliation, operating under the name Centralus Health. Dr. Martin Stallone, MD, MBA, formerly the CEO of Cayuga Health System, will serve as the CEO of Centralus Health. Jonathan Lawrence, MHA, FACHE, CEO of Arnot Health, will serve as the executive vice president. The organizations expect that their collaboration will improve access to high-quality medical services in the Southern Tier and Finger Lakes regions. The affiliation is also expected to ensure that vital medical services are delivered by an organization focused on benefiting local communities. The new 6,500-employee organization is projected to provide \$1 billion dollars of medical services over a nine-county region, including emergency care, critical cardiac care, cancer care, labor/delivery/NICU care, outpatient care, behavioral health services, rehabilitation, and long-term care, in addition to home nursing, and durable medical equipment and supplies.

The Elmira Psychiatric Center, which employs approximately 320 persons, is an 80-bed facility operated by the State. In addition, Chemung County operates a nursing facility which employs approximately 300 persons and has 200 beds. The facility provides long-term, inpatient, skilled nursing-level services to residents with a chronic or debilitating illness or who need rehabilitation services. Services offered include medical and psychiatric care, rehabilitation therapies, pharmacy, laundry, social work and recreational activities. Additionally, there are over 160 doctors and dentists practicing in the City with a wide range of specialties.

In 2021, a WellNow Urgent Care facility was opened at 503 Park Place in downtown Elmira and provides non-emergency walk in services to the community including COVID-19 testing, allergies tests, and cold/flu care.

CASA-Trinity is a nonprofit which has operated a clinic in Elmira, NY since 2011. They offer prevention, evaluations, referrals, treatment, and relapse prevention for substance use disorders, as well as mental health and related disorders. There are different tracks of treatment based on the individual's needs – medication-assisted treatment (MAT), vivitrol and buprenorphine - as tools to aid in recovery. In 2022, the clinic was expanded at 911 Stowell Street, Elmira NY 14901 to provide additional outpatient services, outreach and social health connections to housing, food, and referrals to other service providers.

## Recreation, Entertainment and Culture

### *Parks*

The City is in the southern part of the Finger Lakes region and is within easy travel of all the Finger Lakes, the closest of which is Seneca Lake, 25 miles away. The area is rich in cultural history and entertainment experiences. City residents enjoy a wide variety of recreational options. The City has 23 parks totaling approximately 203 acres. Eldridge Park, the largest City Park comprised of 57 acres, has recently been transformed into destination for the region with the restoration of the Eldridge Park Carousel and Dance Hall. This effort was initiated by local dentist, Robert Lyon. His efforts were successful in raising more than \$1.5 million, excluding volunteer labor and donations, to undertake the restoration activities. Additional information on the effort can be obtained at [www.eldridgepark.us](http://www.eldridgepark.us). City residents have nearby access to two County Parks and one State Park. One of the County Parks is the location of the world-famous Harris Hill Soaring Site. A visitor can fly in a sailplane, visit the Soaring Museum and take in Harris Hill Park. It has an Olympic-sized pool, miniature golf, go-cart rides, driving range, family picnic areas, and a small amusement park.

The City has also taken a renewed interest in improving its City parks. For over a decade, since 2010, the Department of Community Development has worked with Arnot-Ogden, St. Joseph's, the Chemung County Health Department and 30 other services providers on a "Creating Healthy Places" Initiative funded by a New York State Department of Health grant. During the initial five-year grant period, an additional \$300,000 was provided to the City to upgrade playground equipment and amenities at City parks. The City has also utilized Community Development Block Grant (CDBG) and Community Foundation funds as well as \$140,000 from the NYS Office of Parks, Recreation, and Historic Preservation. The focus of these improvements has been to provide playground equipment and park amenities that appeal to more than one age demographic. The revitalization of City parks has enhanced the quality of Elmira's neighborhoods.

### *Promenade Project*

Over the last decade and a half, the City of Elmira has worked with the Elmira-Chemung Transportation Council, the Metropolitan Planning Organization (MPO) to develop plans for a multi-use vehicular and pedestrian corridor known as the Promenade Project. The location of the Promenade Project is under and directly adjacent to the Norfolk Southern Railway viaduct extending from Water Street north to Second Street. The main objectives of this project are to transform the viaduct into an attractive and unified welcoming corridor through the City, improve pedestrian infrastructure in the urban core of the downtown district, and improve facilities for both pedestrian and vehicular access. The Elmira Promenade project which resulted in a \$2 million investment in the heart of downtown utilizing Federal Transportation Enhancement funds, created a functional space with pedestrian amenities. Construction on the project began in April 2010 and was completed by Fall 2011. This project which runs adjacent to the Steele Memorial Public Library has motivated the library to look at ways they can enhance the exterior of their facility and utilize the Promenade for programming.

### *Chemung River Master Plan*

The City, in cooperation with the five towns and villages bordering the Chemung River in Chemung County completed a Chemung River Comprehensive Master Plan (the "Master Plan") in 2008, funded by a Quality Communities Grant and prepared by Haas Landscape Architects. A preliminary draft of the Master Plan was presented to the Community in Summer/Fall 2007 and a final presentation was made on January 17, 2008. The City also received a State grant through the Local Waterfront Revitalization Program which has enabled two or three of the projects identified in the Master Plan to be designed for construction. Projects that were designed utilizing these funds include the final design and construction documents for Chase-Hibbard Dam Portage Project and the preliminary re-design of Mark Twain Riverfront Park located in the heart of downtown along Water Street. This is consistent with the City's Comprehensive Master Plan which noted, "This River is a very important underutilized natural, cultural and economic resource for the City. Significant opportunities exist to make the River a key recreational and open space link to the downtown, residential neighborhoods and the outlying communities." Additionally, the Downtown Revitalization Initiative (DRI) has identified as a priority to pursue the construction of some of the design elements from the Mark Twain Riverfront Park re-design. Construction on the Chase-Hibbard Dam Portage was completed in June 2012 and a ribbon cutting was held. This portage enables paddlers to safely maneuver around the dam in downtown Elmira.

The City received a grant in 2021 from New York State Department of State for the Local Waterfront Revitalization Program (LWRP). The grant was received in partnership with Chemung County Planning. The plan will provide a shared vision, goals, and strategies for improving the City's Chemung River waterfront. The plan will also help to identify opportunities to address waterfront connectivity, climate change resilience, and economic development along the waterfront. Fisher and Associates has been hired and is now working on developing the plan and engaging the local community. The LWRP will guide future use, development and revitalization of the waterfront area, efforts that will spur economic growth and tourism, bolster local businesses, improve recreational opportunities, and protect and enhance natural assets. The first public meeting was hosted in October 2024, and the plan should be available to the public in 2025.

A non-profit, Friends of the Chemung River Watershed, exists to revitalize the Chemung River and assist municipalities in the implementation of projects contained within the Chemung River Comprehensive Master Plan. The Friends of the Chemung River Watershed organization remains a committed and active partner.

### *Lake Street Pedestrian Bridge*

The Lake Street Bridge was constructed in 1960. While the bridge was closed to vehicular and pedestrian traffic in March 2011 due to structural concerns, the City identified the rehabilitation of the bridge as a priority project in its Comprehensive Master Plan and within the Downtown Revitalization Initiative Strategic Investment Plan. The City of Elmira was awarded \$3,132,000 in Transportation Enhancement funding and \$750,000 of DRI funding to rehabilitate the bridge to accommodate pedestrians, bicycles, and other non-motorized users. The project, including structural improvements, landscaping, seating nodes, artistic elements, pavement treatments, and high-quality lighting, was completed in 2022. The rehabilitation of Lake Street Bridge as a pedestrian walkway and bicycle passage has opened up access to the Chemung River as a viable economic and recreational resource. The project promotes waterfront activities and creates a continuous connection to the Mark Twain Riverfront Park and to the future proposed Trail system. It serves as an important connection between the North and South sides of Downtown Elmira, while providing public access to the scenic river landscape.

### *LECOM Event Center and the Elmira Aviators*

First Arena, a regional sports and entertainment facility, located in the City's downtown area, was completed in 2000 and became home to the Elmira Jackals Professional Hockey team. For the team's first seven seasons in the First Arena, the Elmira Jackals played in the United Hockey League (UHL), notably winning the Franchise of the Year award in 2000 and winning the Eastern Conference Championships in 2002 and 2004. During 2014, significant updates were made to the facility including a \$1.5 million state-of-the-art scoreboard that can show slow-motion instant replay.

Ownership has since transferred to the Chemung County Industrial Development Agency, who has been working to secure a buyer for the facility and identify a new hockey team. In November 2018, Robbie Nichols, a local businessman and experienced sports entrepreneur, signed on to manage First Arena and bring in a new ice hockey franchise, the Elmira Enforcers, a team playing in the Federal Prospects Hockey League. In 2021, Nichols' contract expired, and Tadross Donner Sports and Entertainment LLC signed a lease agreement with the IDA to take on management of the First Arena. Steve Donner and Mike Tadass, the two partners managing the First Arena, brought extensive backgrounds in sports management and ownership in the Rochester area. Donner, an owner of several Rochester sports teams, was previously the executive director of sales and marketing for the Buffalo Sabres hockey team, and for 12 years worked in sports business consulting in Orlando, Florida. The Elmira Mammoths (2022-2023) played at the First Arena under their management. Nevertheless, in 2023, the Chemung County IDA took over direct control and management of the facility after parting with Tadross Donner Sports and Entertainment LLC, and brought a new ice hockey team to Elmira. The Elmira River Sharks played one season (2023-2024) at First Arena, and is part of the Federal Prospects Hockey League, which also has teams in Binghamton, Watertown, Danbury, Connecticut and Wytheville, Virginia. The River Sharks team was purchased and relocated out of the area, and was succeeded by the Elmira Aviators, who commenced play at the arena in Fall 2024.

Concurrent with the changes that led to the Elmira Aviators, on July 30, 2024, First Arena was renamed the LECOM Event Center, as Transdev secured the naming rights for the 3,784-seat multipurpose facility. Transdev, formerly Veolia Transdev, is a France-based international private-sector company which operates public transport, with operations in 17 countries and territories as of November 2020. The LECOM Event Center offers two ice surfaces, a full-service restaurant and bar, a food service center for the recreational rink, video-game arcade, over 30 luxury suites, group outing and party facilities, and a variety of community / meeting rooms.

### *The Elmira Pioneers Baseball Team*

The Elmira Pioneers baseball team competes in the 12-team, New York Collegiate Baseball League (NYCBL). Teams from all over New York State play at the Pioneers' Dunn Field, 4,200 seat stadium. The City is responsible for maintaining the field and stadium and receives a portion of the proceeds from operations of the team. Dunn Field is named after Edward Joseph Dunn, a developer and businessman who donated the land for the field to the City. Earl Weaver once managed in what was at the time the longest recorded game in professional baseball history at Dunn Field. Dunn Field is a classic old ballpark featuring a covered grandstand, individual seats, box seats, a concourse with vintage pictures of past Elmira baseball players who played in the Major Leagues, and a picnic area. A new state-of-the-art scoreboard was installed in 2023. The view from the stadium features mountains, trees and the Chemung River, making it a relaxing and enjoyable atmosphere in which to watch a ballgame and spend time with family. Robbie Nichols leases Dunn Field and manages the Elmira Pioneers.

## *Other Clubs, Organizations and Attractions*

There are many other clubs and organizations in or near the City that cover a wide variety of interests ranging from playing the bagpipes to personal health maintenance. For outdoor sports enthusiasts, City anglers fish for many varieties including brook trout and muskies. Diverse wildlife and vegetation also provide a year-round attraction. Golfers have more than 170 holes to play at courses in and around Elmira including the Elmira Country Club, the Corning Country Club, and the City-owned Mark Twain Golf Course (a Donald Ross-designed course).

The City is the center of cultural activity in the County. One major attraction is the Clemens Center which opened in 1925 as a vaudeville stage, was transformed in the 1940s to a modern movie house. It continued operation as a movie house until 1976 when it was slated for demolition by the Elmira Urban Renewal Agency as part of the City's 1972 Flood Recovery Effort. In an effort to save the theatre, a group of citizens raised money to renovate it as a state-of-the-art regional performing arts center. It has received several upgrades since then. In 1987, Mandeville Hall, a 2,500 square foot theatre was added. In 1999, the Clemens Center undertook a massive renovation that included expansion of the lobby, adding additional elevators, improving the heating, air conditioning and electrical systems of Powers Theatre, creating a more distinctive image with the use of exterior signage and lighting. The Clemens Center completed a \$19 million renovation to make it more competitive to attracting major productions. The main stage in Powers Theater was expanded from 32' to 45' in order to accommodate large-scale touring productions, update the building technology and enlarge the orchestra pit. The majority of the local businesses deem the Clemens Center to be the "jewel of the community", a quality of life attraction that assists them in recruiting employees to the area. The Clemens Center presents international performing artists covering a broad array of programs including Broadway music tours, symphony orchestras, music groups, theater, dance and comedy. Since 1977, the Clemens Center has hosted more than nine hundred professional performances for over 800,000 patrons and played host to over 2,000 community performances and events. The Clemens Center re-opened the newly renovated Powers Theatre in October 2008 with performances of the Broadway hit *Mamma Mia!*. Recent Broadway series performances have included noteworthy shows such as *Rent* (2016-2017 season), *A Chorus Line* (2017-2018), *Jersey Boys* (2018-2019), *Chicago* (2018-2019), *Cats* (2021-2022 season) and *An Officer and A Gentleman* (2021-2022 season), *BUDDY – The Buddy Holly Story* and *Legally Blonde The Musical* (both in the 2022-2023 season), and *Shrek The Musical* (2023-2024 season). The schedule for the 2024 – 2025 season includes "Ain't Too Proud – The Life and Times of The Temptations," "Six," "The Addams Family," "Clue," and "Dear Evan Hansen."

Other area attractions include the Arnot Art Museum, which is the foremost center of the City's activity in the visual arts, with changing exhibits of masterpieces from the fourteenth to the twentieth century. The Watson Gallery at Elmira College provides many excellent art shows of both area and national artists. The Chemung County Historical Society offers visitors an opportunity to explore many outstanding exhibits of historical interest in the County. In addition, many area residents participate in activities sponsored by the Elmira Little Theater, Community Arts of Elmira, the Community Concert Association, and the Elmira Choral and Symphony Association.

Mark Twain (Samuel L. Clemens) spent many years of his life and wrote many of his books in the City. In 1869, he became engaged to Olivia Langdon, an Elmira native. One year later, Mark Twain and Olivia were married in the parlor of the Langdon home in the City. For over twenty summers, Mark Twain and Olivia lived at Quarry Farms, a Langdon family home. The Langdon family home was willed to Olivia's sister, Susan Crane. Susan and her husband built Mark Twain his own study for writing solitude just a short distance from their home. It was there that Mark Twain wrote such famous works as *The Adventures of Tom Sawyer*; *The Adventures of Huckleberry Finn*; *Life on the Mississippi*; *A Connecticut Yankee in King Arthur's Court*; *The Prince and the Pauper*; *A Tramp Abroad*; and many short pieces. Mark Twain died in April 1910 and is buried in a public family plot in Woodlawn Cemetery. His legacy continues to this day and the City is a major historical attraction for Twain enthusiasts and passing visitors. His famous study is now located on the Elmira College campus. Trained student guides provide daily tours through the summer and by appointment during the winter. Also located in Elmira College is the Mark Twain Exhibit in Hamilton Hall. It houses Mark Twain-related photographs and memorabilia. A unique bronze statue erected on the Elmira College campus commemorates the special role of the City in Mark Twain's life. Also buried in Woodlawn Cemetery are veterans of the Civil and Spanish American Wars; World Wars I and II; the Korean and Vietnam conflicts; and Union and Confederate soldiers. The Steele Memorial Library and its various branches, operated by Chemung County, serve City residents.

The Wings of Eagles Warplane Museum is an educational institution founded to collect, preserve, interpret, and exhibit military aviation memorabilia and to fly military aircraft. The Wings of Eagles Warplane Museum honors the men and women who made sacrifices in defense of their country and in the preservation of world freedom. The National Warplane Museum relocated to the Airport Corporate Park, and the National Warplane Museum facility, a \$2,500,000 project, was completed in 1998. Approximately 80,000 people visit the facility each year. The National Warplane Museum sponsors many events throughout the year including an annual air show.

## **Transportation**

### *Commuter Transit*

Local bus transportation is provided by the Chemung County Transit System. A new transportation center opened in 1998. Coach USA provides bus transportation for out-of-town destinations. Coach USA had naming rights for the new Sports and Entertainment Center built in downtown Elmira, formerly known as the Coach USA Center. The Coach USA Center is now officially designated as the LECOM Event Center as of July 30, 2024.

### *Air Transportation*

Air transportation is provided by the County-owned Elmira Corning Regional Airport (“ELM”) which continues to lead the way in improving the quality of life for residents throughout the area. ELM is a major influence on the region's economic development strategy and has been the catalyst in bringing new business opportunities to the region. ELM is the only airport in the Southern Tier with an 8,000-foot runway that can accommodate nearly every commercial aircraft that is currently in operation. From 2005 to 2015, ELM led the State in passenger boardings. Today, ELM can still accommodate as many passengers as the greater Binghamton Airport and the Ithaca Airport combined. ELM continues to offer two Delta flights direct to Detroit every day and non-stop service through Allegiant Airlines to the Orlando metropolitan area, Florida (SFB) and the Tampa-St. Petersburg metropolitan area, Florida (PIE). In addition, Allegiant offers seasonal service to Punta Gorda, FL (PGD) and Sarasota / Bradenton International Airport (SRQ). Allegiant flights from ELM continue to be extremely successful. In January 2020, Allegiant converted to a new all-Airbus fleet, and these large jets are in service at ELM. Furthermore, Allegiant has announced the recent acquisition of new Boeing 737 aircraft, and we anticipate that some of these airplanes may be deployed through ELM.

ELM has undergone significant renovations totaling \$61 million dollars. The upgrades include a 25 percent increase in airport passenger space, two new jet bridges, 300 more parking spaces, a 3,000-square foot bar and restaurant which includes state-of-the-art passenger amenities. The terminal project received \$40 million in State funding. The remaining \$21 million came in the form of Federal Aviation Administration grant funding and Passenger Facility Charges. These projects were completed in October 2018. More recently, it has been announced that Elmira Corning Regional Airport (ELM) will receive a federal grant of \$949,577 from the Federal Aviation Administration (FAA)'s FY24 Airport Improvement Program (AIP) for runway improvements. This grant will fund the first phase of a reconstruction and rehabilitation project for the airport's runway and taxiway. The project will facilitate the reconstruction of existing runway signage and lighting that have reached the end of their useful lives. Eight thousand feet of Runway 6/24 will be rehabilitated, as well as 570 feet of Taxiway A. For small primary, reliever, and general aviation airports, the grant covers a range of 90-95% of eligible costs, based on statutory requirements.

### *Railroads*

Railroads continue to serve an important purpose to businesses in the City. Rail lines run on the North and South sides of the City. Regional railroad service is provided by Norfolk Southern, the North Susquehanna and Western, and Canadian Pacific (Delaware and Hudson). Six daily freight connections provide hauling to New York City, Hoboken, NJ and Chicago. Several sites adjacent to the railway are being prepared by Edger Enterprises Inc. for development including a spur at the entrance to the City from I-86.

### *High Speed Broadband*

The City of Elmira will be able to benefit from expanded access to high speed broadband connectivity thanks to Southern Tier Network. Southern Tier Network is a not-for-profit Local Development Corporation (LDC) established to build and manage a \$12.2 million regional fiber optic backbone that will enable access to high speed broadband connectivity in Chemung, Schuyler and Steuben counties. Construction on the 235-mile optical fiber backbone was completed on January 15, 2014. This is a project that Southern Tier Regional Planning and Development Board has spearheaded. The mission is to address the broadband needs of unserved areas in the community, facilitate improved services in underserved areas and enhance the overall telecommunications services for the Southern Tier Region. The optical fiber backbone is open to any viable entity for use in supporting the creation and delivery of technologies and services and will serve as a catalyst for economic development within the City and region. This project is driving new and improved capabilities and has made it easier for new telecommunications carriers to get into the area. Construction within the City of Elmira was completed during 2013. The project was funded by Corning Incorporated and the participating counties.

Building on this foundation, emphasis now is on the “last mile development” and attracting broadband providers to expand the availability of service within the City. As a result, Empire Access has entered the market and is offering business-class fiber optic internet, phone, and security service in the City as an alternative to the legacy service providers. In fact, Empire Access was successful in its bid for a \$500,000 grant offered in 2021 by the City to expand fiber optic internet access within the City limits, funded by the American Rescue Plan. The work of making faster internet service available to City residents, funded by this grant, is approximately 70% complete as of March 2024, with new areas coming on stream monthly. The Empire Access project is expected to be materially complete by the end of 2025.

## Collective Bargaining Contract Information

The following table provides a breakdown of the number of City employees represented by collective bargaining agents, the bargaining units that represent them and the dates their agreements expire.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
74	Police Benevolent Association (PBA)	12/31/2027
59	Firefighters' Local 709	12/31/2025
42	CSEA	12/31/2026
28	School Crossing Guards	12/31/2025

Source: City officials.

## Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes for which the Notes are to be issued, is the General City Law and the Local Finance Law.

No principal or interest upon any obligation of the City is past due. Due to a clerical error, the City's December 15, 2023 interest payment on its 2016 serial bonds was \$3,000 less than the required interest payment. When brought to the City's attention, the City promptly made the balance of the payment due. See also "CONTINUING DISCLOSURE" herein.

The fiscal year of the City is the calendar year.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness" this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

## ECONOMIC DATA

### Major Employers

Some of the major employers located within, or within close proximity to, the City are as follows:

<u>EMPLOYER</u>	<u>EMPLOYEES</u>	<u>BUSINESS TYPE</u>	<u>WITHIN CITY</u>
Guthrie Health Care System	4,500-5,500	Health Care Services	Some offices
Corning Inc. <sup>(1)</sup>	4,000-5,000	Optical Fiber, Ceramic Substrate Mfg.	No
Arnot-Ogden Medical Center	3,000-3,250	Health Care Services	Yes
Elmira City School District	1,200-1,400	Public School	Yes
County of Chemung	1,000-1,499	Government	Yes
Hilliard Corp.	500-1,000	Auto Parts Mfg.	Yes
Elmira Correctional Facility	500-999	State Facility	Yes
Elmira College	400-500	Private College	Yes
Kennedy Valve Inc.	300-400	Fire Hydrant Mfg.	Yes
Hardinge Brothers, Inc.	250-350	Machine Tool Mfg.	No
Anchor Glass Corp.	250-499	Glass Container Mfg.	Yes
City of Elmira	220-270	Government	Yes
F.M. Howell	150-225	Manufacturing	Yes
Trayer Products Inc.	100-200	Auto Parts Mfg.	Yes

<sup>(1)</sup> Located 18 miles west on I-86.

Source: City officials.

## Selected Wealth and Income Indicators

Per capita income statistics are available for the City, County and State, and are listed below.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-10</u>	<u>2016-20</u>	<u>2019-23</u>	<u>2006-10</u>	<u>2016-20</u>	<u>2019-23</u>
City of:						
Elmira	\$ 17,399	\$ 19,961	\$ 23,664	\$ 41,383	\$ 46,152	\$ 53,341
County of:						
Chemung	23,457	29,959	35,624	55,246	70,617	81,566
State of:						
New York	30,948	40,898	49,520	67,405	87,720	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau; 2006-2010, 2016-2020, 2019-2023 American Community Survey 5-Year Estimates.

## Unemployment Rate Statistics

The smallest area for which such statistics are available (which includes the City) is Chemung County and the Elmira Metropolitan Statistical Area (the “Elmira MSA”). The information set forth below with respect to the County and the Elmira MSA is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County and the Elmira MSA is necessarily representative of the City, or vice versa.

	<u>Annual Average</u>							
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City of Elmira	6.9%	6.0%	5.2%	11.6%	7.1%	4.9%	5.3%	N/A
Elmira MSA	5.5	4.6	4.0	8.8	5.3	3.7	4.0	N/A
Chemung County	5.5	4.6	4.0	8.8	5.3	3.7	4.0	N/A
New York State	4.6	4.1	3.8	9.9	6.9	4.3	4.2	N/A

	<u>2024-25 Monthly Figures</u>											
	<u>2024</u>											<u>2025</u>
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
City of Elmira	6.1%	5.7%	5.1%	5.6%	5.1%	5.6%	5.9%	4.5%	4.7%	4.7%	4.9%	N/A
Elmira MSA	4.6	4.3	3.9	4.1	3.9	4.4	4.4	3.4	3.6	3.6	3.8	N/A
Chemung County	4.6	4.3	3.9	4.1	3.9	4.4	4.4	3.4	3.6	3.6	3.8	N/A
New York State	4.5	4.2	3.9	4.2	4.3	4.9	4.9	4.0	4.1	4.2	4.1	N/A

Source: Department of Labor, State of New York. Figures not seasonally adjusted.

Note: Unemployment rates for December 2024 and annual averages for 2024 are unavailable as of the date of this Official Statement.

## **Economic Development**

The City's economic development strategy is three-fold:

- 1) To maintain and strengthen its economic base;
- 2) To encourage businesses and residents to utilize developable lands within the City; and
- 3) To strengthen the City's economy by offering economic incentives and assistance for businesses which choose to move to the City.

The success of this strategy primarily rests on the ongoing cooperation among area public and private entities. The City utilizes a unique approach. Instead of competing with adjacent towns and villages for commercial expansion, the City encourages and assists businesses in locating both in and near the City. The City believes the City and region both benefit from business expansion in and near the City. This approach has achieved positive results for both the area and City residents. The City actively participates in several local economic development agencies. Elmira is the eastern anchor of the new I-86 Innovation Corridor Initiative, which extends from Elmira to Hornell. There are twenty-two anchor employers with 10,000 workers within a 15-minute drive of downtown Elmira such as Arnot Health, CAF USA, Chemung Canal Trust Company, Community Bank, Five Star Bank, Guthrie Healthcare, Hardinge, Hilliard Corporation, F.M. Howell, Pladis Global, and several others. Corning Inc. is 18 miles west of Elmira on I-86.

A significant development in Economic Development was the announcement in December 2015 by New York State that the Southern Tier Regional Economic Development Council region was one of three winning regions for the Upstate Revitalization Initiative (URI) launched in 2015. The URI commits \$500 million of state economic development resources to the Southern Tier Region for the next five years to assist with up to twenty-percent of significant projects. Additionally, the City of Elmira together with Chemung County submitted a proposal to the Southern Tier Regional Economic Development Council for \$10 million under the Downtown Revitalization Initiative (DRI) in 2016 and it was announced that the City of Elmira was selected as one of the ten DRI communities. Phase 1 of the project was led by the New York State Department of State with participation from Empire State Development and New York State Homes and Community Renewal, the City, a local Planning Committee, and a private sector planning team (Stantec) that was assigned to develop a Strategic Investment Plan. The Strategic Investment Plan was submitted to the State of New York and the project funding announcement was made on July 5, 2017. Key priority projects identified in the Strategic Investment Plan that received funding include: the West Water Street Mixed-Use Development, funding to invest in privately owned downtown properties, improving downtown zoning, building out Clemens Square, renovating the Lake Street Bridge, renovating the Centertown Parking Garage, and developing a River Boardwalk at Mark Twain Riverfront Park. A total of \$1,550,000 of DRI funding was made available to downtown property owners to make building renovations. This Activate Building Program was administered by the City's Department of Community Development and initial project awards were made in April 2018 with projects beginning in the Summer of 2018 and extending through 2024. All projects are now completed.

### **Elmira Downtown Development, Inc.**

Elmira Downtown Development ("EDD") is a not-for-profit corporation whose mission is the administration of the City's 52-block New York State designated Business Improvement District (BID). EDD was formed in 1989 to conform with the major recommendations outlined in the Metropolitan Development Association, Inc. (MDA) report prepared in 1985 to implement a self-sustaining development organization with the sole purpose to encourage growth and development in downtown. EDD plans and manages special events, including concerts, promotions, festivals, holiday celebrations, and a weekly farmers market. EDD hosts an annual Elmira Street Painting Festival which attracts thousands of visitors during a weekend in July to witness the transformation of West Water Street into brilliant works of art enhancements, signage and façade improvements. The EDD office serves as a central communication point between city government officials and downtown constituents, enabling coordinated dissemination of information regarding roadwork, rules and regulations, and special programs. Staff also offers public and media relations assistance and continuing education workshops and seminars to constituents.

Business recruitment responsibilities shifted from EDD to STEG, allowing EDD the opportunity to allocate more time to streetscape improvements through their Operation Green Streets Program, promotional activities and special events.

## Chemung County Chamber of Commerce

The Chemung County Chamber of Commerce (“Chamber”) is the County’s official tourism promotion agency. The mission of the Chemung County Chamber of Commerce is to represent the business community in the promotion of the prosperity and the quality of life throughout its service area. For 100 years, the Chemung County Chamber of Commerce has been the leading voice of business in the County. Through its efforts in such diverse areas as local, State and Federal legislation, small business concerns tourism promotion and economic development, the Chamber works daily to enhance the economic wellbeing and the quality of life in the County. The Chemung County Chamber of Commerce is one of less than 20 chambers in New York State awarded Accreditation by the United States Chamber of Commerce. This assures that the Chamber meets stringent leadership, program and operational standards set by the national Chamber. The Chamber also sponsors an annual Leadership Chemung Program (designed to develop individuals for future leadership roles in the Chemung County area), Manufacturing Week, Annual Economic Forum, and a Public Affairs Council.

## Southern Tier Economic Growth, Inc.

Southern Tier Economic Growth, Inc. (“STEG”), a nonprofit corporation, is the primary economic development entity in Chemung County. The Chemung County Industrial Development Agency (“CCIDA”) is STEG’s administrative affiliate. CCIDA is a public benefit corporation. STEG also administers financial incentive programs for the City, such as the City’s Commercial Loan Program (“CCLP”), which assists new and existing businesses in the City with their expansion needs. The CCLP was initially formed by allocating Community Development Block Grant funds (“CDBG”), which the City receives from the U.S. Department of Housing and Urban Development (“HUD”) to the Loan Pool. The revolving loan programs established by the City in 1995 have released loan funds totaling \$4,976,687 in investments to date. Since its inception, the revolving loan programs have facilitated \$53,033,780 in private investment and assisted in the creation of approximately 1,159 full-time and 414 part-time employment positions.

<b>BUSINESS LOAN PROGRAM</b>			
<b>CONTRIBUTION</b>	<b>PRIVATE INVESTMENT</b>	<b>LOAN AMOUNT</b>	<b>FT JOBS CREATED</b>
Pre-2000	36,689,429	2297,499	969
2000	2,290,000	263,000	23
2001	4,620,000	645,000	60
2002	309,871	83,000	19
2003	776,000	216,000	22
2004	60,058	20,000	1
2005	1,332,700	149,500	17
2006	727,512	120,688	6
2007	980,060	100,000	8
2008	215,650	50,000	5
2009	1,050,000	210,000	3
2010	42,000	15,000	1
2011	2,225,000	330,000	6
2012	160,000	30,000	1
2013	250,000	30,000	2
2014	0	0	0
2015	240,000	50,000	1
2016	0	0	1
2017	115,500	50,000	1
2018	0	0	0
2019	0	50,000	1
2020	0	100,000	4
2021	0	0	0
2022	0	0	0
2023	150,000	67,000	4
2024	800,000	100,000	4
<b>Grand Total</b>	<b>\$ 53,033,780</b>	<b>\$4,976,687</b>	<b>1,159</b>

STEG activity for the Loan Program has decreased over time, due mainly to lesser promotion of the program and fluctuations in staff capacity at STEG. Also, STEG and businesses have increasingly utilized funding offered through New York Empire State Development grants.

The role of STEG was expanded in 2007, to include business recruitment and retention efforts within the City and, in particular, the Central Business District. A portion of the City's Community Development Block Grant funds are used to fund an Economic Development Specialist whose primary responsibility is urban development and to market the City's Central Business District. STEG is located in the Commerce Building on East Church Street. The Commerce Building houses the offices of Southern Tier Economic Growth, Inc., the Chemung County Chamber of Commerce, the Chemung County Planning Department, the Elmira-Chemung Transportation Council, and Elmira Downtown Development, Inc. This facility is within one block of both City and County administration offices, further facilitating cooperation among the various economic development partners in the region.

## **RESTORE NY Grants**

The City has utilized seven rounds and approximately \$6.3 million in Restore NY funds from Empire State Development since 2006 to revitalize downtown properties beginning with the Riverside Suites property located at 231 W. Water Street which turned a vacant property into a mixed-use development with four market rate apartments.

In addition, the City was awarded a \$2.3 million Restore NY grant in the Fall of 2008 to rehabilitate three prominent buildings on West Water Street known as the former Rosenbaums, Marvin's and Harold's buildings. These buildings had sat vacant for over 20 years and two of them had experienced substantial deterioration since the grant was awarded in the Fall of 2008. Previous developers involved in the project had decided to not move forward due to the national economic downturn and financing difficulties. In July 2014, an emergency situation arose concerning 106 – 112 W. Water Street (former Rosenbaums) and 114 W. Water Street (former Marvin's building) with the collapse of their roof structures and the front façades. The adjacent Harold's building was also in danger of collapse. The buildings were condemned by the City's Fire Marshal and the City of Elmira had the buildings demolished. The City, STEG, and Chemung County worked collaboratively to identify a redevelopment plan for the site that was consistent with the intent of the Restore NY funding. STEG hired Johnson-Schmidt & Associates Architects to develop a concept for the site which has since been amended by PG West Water Street Inc., who was selected as the project developer. As of 2020, the new market rate apartment building is open to the public with all 52 apartments fully rented and an extensive waitlist. Additionally, commercial space has been rented to Wells Fargo, Five Star Bank, Labella Associates, and a coffee shop / café. The City of Elmira has a new Grant Disbursement Agreement with Empire State Development which includes the \$2.3 million Restore NY grant and \$4 million of DRI funding. A public parking lot was redesigned and constructed during the Summer of 2017 to the north of the project. Additional site improvements to Clemens Square began in 2019 and were completed in 2021.

Furthermore, the City was awarded a \$1.25 million Restore NY grant on September 2, 2009. This grant assisted in the stabilization of a vacant, surplus City property which is referred to as the Federal Building. Previously, this building served as a U.S. Post Office and Court House which was built in 1902. The improvements, which were completed in 2011, included exterior masonry re-pointing, a new roof, lead abatement around the windows and re-painting, a new boiler system and upgrades to the electrical systems. In 2017, the Federal Building was sold to local developers. Since then, the new owners have completed renovations and now are operating the building as a mixed-use property.

In the Round 4 Restore NY Grant of 2016, funds were awarded for Gerard Block Apartments (Arbor Housing and Development), a large rehabilitation project supported by the City of Elmira. The Restore NY grant was coupled with Downtown Revitalization Funds to complete the project. The project was completed in Fall 2021, and is currently fully occupied with residents. The mixed-use historic renovation resulted in five commercial store fronts along Lake Street, eight artist workspace studios, and 28 affordable apartments. The projects consist of 118-120 and 124-126 Lake Street and the adjacent 412-418 Carroll Street structures in downtown Elmira. The buildings were vacant prior to work commencing and are now fully renovated for a total square footage of 35,916. Additionally, there was a total of 9,179 square feet of commercial space developed for new business to locate in downtown Elmira. The project received \$500,000 from the City in Restore NY funds from Empire State Development and an additional \$300,000 in Downtown Revitalization Funds from New York State Department of State. The project provided preference for artists for up to ten of the apartments. Ten of the apartments serve households at or below 50% of area median income (AMI) and 18 of the apartments target households at 60% - 80% AMI.

The City of Elmira was also fortunate to receive a Round 5 Restore NY Grant in the amount of \$508,400 for the rehabilitation of 110 and 114 Baldwin Streets by Jim Capriotti, a proven developer. The project has converted these vacant buildings in the heart of Elmira's downtown and DRI focus area into mixed-use. The project was completed in 2024.

In the Round 6 Restore NY Grant of 2022, funds were awarded for Booth School Rehabilitation Project (Hughes Structures), a full rehabilitation of a vacant former school building in the Near Westside Historic District of Elmira. The project is anticipated to be completed in 2025. The City of Elmira is supporting the project with a \$1 Million Dollar Restore NY grant through Empire State Development. The developers will leverage historic tax credits along with the state grant to develop and rehabilitate the property. The school site, belonging to the Elmira City School District, has been vacant since 2012 when the district consolidated sites. The building sits on a 3.8-acre lot, and the structure is a total of 87,835 sq. feet. The project will result in 42 units of quality, safe housing which will be marketed towards individual living at or above AMI. The scope of work includes façade work along with the construction of twelve (12) studio apartments; twenty-two (22) 1-bedroom apartments; and eight (8) two-bedroom apartments along with 3 commercial units. The site is located within the “Elmira Refresh” DRI zone and also historic district. The neighborhood is severely deteriorated and was a historically redlined neighborhood with over 90% of the residents living at or below 120% of AMI. The project will have a transformative impact on the neighborhood by developing a blighted structure in the heart of this neighborhood.

In Round 7, Elmira was awarded \$750,000 for the Reynolds Way (Arbor Housing and Development) is a project currently underway within the downtown of Elmira. It is projected was completed in the Fall of 2024. The project will renovate a total of four blighted properties along Church Street and Academy Place and turn them into 41-units or 46,871 sq. feet of affordable housing. The properties have been vacant for decades, so the project will have a significant impact on the revitalization of main downtown corridor and is a highly visible project. The developer is Arbor Housing and Development who will also own and manage the property. The development includes four separate historic buildings which will be converted in thirty (30) one-bedroom, six (6) 2-bedroom, and five (5) studio apartments. Funding will include Historic Tax Credits and NYS Homes and Community Renewal funding. The project will also include sixteen (16) special needs units set aside for survivors of domestic violence with supportive services and rent subsidy provided by the Empire State Supportive Housing Initiative (ESSHI). In addition, the Reynolds Way Apartment project will participate in the NYSERDA New Construction Housing Program and will be a 2020 Enterprise Green Communities certified project.

### **Elmira Urban Renewal Agency, Inc.**

The Elmira Urban Renewal Agency, Inc. (“EURA”) was formed in the late 1960s. One of its first objectives was to develop a 40-year urban renewal plan (“40-year Plan”) for the City after a major flood occurred in 1972. Using the 40-year Plan as a basis, in 1998 the City Council adopted a new Master Plan and comprehensive Zoning Ordinance. This plan includes a comprehensive inventory of the City’s current utilization of properties (residential, industrial, recreational and education areas) for future development and growth. The EURA has been designated by the City to administer its Community Development Block Grant Program (CDBG). The EURA does not have any outstanding debt obligations as of the date of this Official Statement.

Designated an Entitlement Community by the U.S. Department of Housing and Urban Development in 2023-2024, the City received \$1,129,816 in CDBG funding and \$251,946 in HOME funding to undertake programs and activities to help low to moderate income persons in the City or eliminate conditions that create slum and blight. These funding amounts represent a slight decrease from prior year funding levels. The City of Elmira submitted its Five-Year Consolidated Plan for the CDBG and HOME programs in June 2020. The City anticipates collecting an additional approximately \$50,000 in Program Income through loan proceeds received from its Owner-Occupied Housing Rehabilitation Program and STEG Commercial Loan Program. Some of the programs and activities funded by the CDBG / HOME Program include: Owner Occupied Rehabilitation Program, First Time Homebuyers Program; Enhanced Street and Park Improvement Program; local nonprofit programs that operate community centers for youth and services for Elmira senior citizens; Downtown Signage and Façade Program; and the City’s Revolving Loan Program which offers low interest loans to businesses. A priority for the next five years under the 2020 – 2024 Consolidated Plan will be to utilize HOME funding for more neighborhood revitalization and scattered site development working with housing developer, Housing Visions and leveraging Low Income Housing Tax Credits administered by New York State Homes and Community Renewal to improve the condition of the City’s rental housing. Housing Vision’s Chemung Crossing Project was awarded funding through New York State Homes and Community Renewal. This over \$14 million neighborhood revitalization project on Elmira’s south side was completed in 2019 and includes the historic rehabilitation of two properties, the construction of new buildings resulting in 45 high-quality, energy efficient and affordable residential units and 5,500 square feet of commercial space.

The First Time Homebuyers Program designed to assist low to moderate income families in purchasing their first homes, was initiated in 1994. Since then, over \$4 million of federal funds has been expended for this program. This has resulted in mortgages totaling over \$14 million of which local lenders hold 90%. The program currently offers \$10,000 in down payment and closing cost assistance. Since the program’s inception, 460 households have been assisted. A component of this program is pre- and post-purchase counseling, foreclosure prevention and credit counseling services offered by Catholic Charities of Chemung / Schuyler. This program has been successful as evidenced by a foreclosure rate of less than 3%.

The City's Community Development staff are actively involved in seeking and obtaining grants to undertake a variety of projects and activities. These include New York State Department of Environmental Conservation (NYS DEC) funding for investigation and remediation of brownfield sites as well as to expand urban forestry efforts; New York State Department of State (NYS DOS) for waterfront revitalization and brownfield planning; New York State Office of Parks, Recreation and Historic Preservation for Park Improvements and Historic Preservation activities; Empire State Development Corporation for Restore NY; NYSERDA to update the City's Comprehensive Master Plan; the "Zombie" and Vacant Properties which is a partnership with the Code Enforcement Department; Cities RISE funding from the New York State Attorney General's Office, and most recently, the Anti-Displacement Learning Network to address homelessness and displacement in the City of Elmira.

### **Elmira Housing Authority**

The Elmira Housing Authority (the "Housing Authority") was established in 1942 by a special act of the State Legislature to provide public housing within the City. The legislative body governing the Housing Authority consists of seven board members. Five members are appointed by the City Manager and two members are tenants elected biannually by qualified public housing tenants. The City conducts the elections and provides the necessary personnel for inspections. The City Council must approve the schedule of compensation negotiated by the Housing Authority for its officers and employees. The Housing Authority received a Capital Fund Grant from HUD in 2012 which funded improvements to three of their facilities; Hoffman Plaza, Flannery Towers and Bragg Towers. Primary funding sources for the Housing Authority are State and federal subsidies and tenant rents. The Housing Authority determines and modifies its own budget, sets its own rates, and may issue bonded debt without the City's approval. In addition, the City is not entitled to and cannot otherwise access a majority of the Housing Authority's resources. Consequently, the Housing Authority's financial activity is excluded from the City's reporting entity. The City is contractually obligated to fund any State projects that are not self-sufficient.

### *Clean Up Complete on Two Former Brownfield Sites*

The City, utilizing grants received from the New York State Department of Economic Development, has completed the remediation of the former American LaFrance and Chemung Foundry Brownfield sites on the City's south side. These sites, totaling approximately 13 acres are currently being marketed for redevelopment by STEG, Inc. In 2008, the City was awarded a grant for \$31,850 through the New York State Brownfield Opportunity Areas Program to complete a Step 1 Pre-Nomination Study that was completed in September of 2009. The City was awarded a Step 2 BOA Grant in the amount of \$239,886 and, in September 2012, with assistance from Bergmann Associates, began a comprehensive analysis of the study area and individual Brownfield sites. The study assisted the City in establishing a revitalization plan and implementation strategies for an over 400-acre area located in the south-east quadrant of the City that has been affected by the presence of Brownfield sites including the former American LaFrance and the Chemung Foundry. The project was branded as the "Southside Rising" project and a project website was launched in Fall 2012. A thorough market and housing analysis was completed for the area. The Brownfield Opportunity Areas Program jointly administered by the New York State Departments of State and Environmental Conservation provides funding for a variety of tools including but not limited to infrastructure studies, market trends analysis, identification of strategic sites, site renderings, and acquisition due diligence. The City of Elmira received official designation of its Brownfield Opportunity Area in August 2016 and looks forward to applying for funding in the future for implementation items as part of the Master Plan that was developed. The City of Elmira utilized the work accomplished under Step 2 of the project to assist Elmira Downtown Development with a New York Main Street grant for South Main Street under the 2014 Consolidated Funding Application. Elmira Downtown Development's New York Main Street application for a \$200,000 grant was successful and during 2015, two properties were revitalized along South Main Street.

See also "LITIGATION" section herein for additional information regarding an Environmental Protection Agency directed remediation project of the City and the Elmira Water Board.

### **Coronavirus Local Fiscal Recovery Funds**

The City has been awarded \$28,270,386 from the Coronavirus Local Fiscal Recovery Fund under the \$1.9 trillion economic stimulus plan known as the American Rescue Plan Act passed by Congress in March 2021. The funds may be used to mitigate the impact of COVID-19 on the local community in specified ways in accordance with the rules and regulations issued by the Treasury Department. The City established an internal committee to make recommendations to the City Council regarding the use of the funds. The award was disbursed to the municipality over two years, 50% in 2021, and 50% in 2022. Projects approved to date include broadband infrastructure, water and sewer infrastructure improvements, grants to tourism-oriented organizations, community grants to mitigate COVID-19 impact on local businesses and non-profits, grants for rehabilitation of local residential and commercial property stock, premium pay for essential employees, lost revenue replacement, and removal of dead or dying trees and tree limbs. Funds must be committed to selected projects by December 2024, and utilized by December 2026, or returned to the Treasury Department.

The City of Elmira's HUD entitlement funds also received additional emergency funds. These programs were overseen by the Department of Community Development; the City received \$993,785 in CDBG-CV funds to address the impacts of Covid-19 on the low- and moderate-income residents in Elmira. The CDBG-CV programs supported rental assistance, emergency food/supplies, and small business assistance. Roughly 75% of these funds have been spent with the remaining funds allocated to emergency rental assistance and homeless services. Additionally, the department received HOME-ARP funds in the sum \$1,118,725. The HOME-ARP plan was submitted and approved by HUD in Summer 2023. The City is actively working with a nonprofit subgrantee, the Economic Opportunity Program, to distribute the funds into the community. The funds will provide supportive services for homeless and at-risk persons, including case management, emergency services, and rental assistance.

### **Land Clearing Debris Landfill**

The City experienced significant flood damage as a result of Hurricane Agnes in 1972. As a result, the City established a Land Clearing Debris Landfill at Industrial Park Boulevard in Elmira, and throughout the cleanup process used it to bury the debris from the flood damage. While this landfill is now inactive, in 2019 the City received a request from the NYS Department of Environmental Conservation (DEC) regarding obtaining access to this Land Clearing Debris Landfill Inactive Solid Waste Site in order to investigate the landfill. Depending on the results of the investigation, the City will be responsible for remediation.

### **Other City Initiatives**

In addition to these programs, the City has done much to help businesses and residents utilize developable lands. To that end, the City has conducted an evaluation of all the real property it owns. This review has provided the City with information on optimizing its own real estate needs and strategies for getting abandoned properties back on the tax rolls. This comprehensive review has allowed the City management to strategically implement a property disposition program. Joint tax lien auctions with the County have streamlined the process of reducing the number of City-owned properties. The City aggressively utilizes several economic and residential programs to match City-owned parcels with prospective purchasers, including programs for the rehabilitation and acquisition of property. With the City's support, Chemung County requested permission from New York State Empire State Development to create a Chemung County Land Bank to assist in the development of vacant and abandoned properties. The Chemung County Land Bank received approval in September 2016. The Chemung County Property Development Corporation (Land Bank) has appointed a Board of Directors with the City of Elmira's Director of Community Development serving on the Board. The Land Bank was also awarded funding in the amount of \$893,100 to assist with the hiring of staff, operations, as well as demolitions and rehabilitations of land bank properties. As of August 2021, the Land Bank had demolished nine deteriorated properties within the City and thirteen properties have been rehabilitated. All these projects have been completed and sold. Due to the foreclosure moratorium during the pandemic, the Land Bank did not acquire many new properties in 2020 or 2021. They acquired 4 properties at the 2022 County auction of foreclosed properties, and these were renovated and re-sold as owner-occupied properties. In addition, the Land Bank was able to acquire 5 properties from the 2023 County auction. Of these, one will be renovated and four will be demolished due to unsafe structural condition.

The City of Elmira was successful in receiving a \$90,000 grant under NYSEDA's Cleaner, Greener Communities Program for a new Comprehensive Master Plan. The new Comprehensive Master Plan was officially adopted November 28, 2016. The process was led by an experienced consultant team, the City of Elmira, and a 13-member Project Steering Committee composed of residents, private sector leaders, property owners, and planning and zoning representatives. The development of the Comprehensive Master Plan was also instrumental in positioning the City of Elmira to receive the \$10 million Downtown Revitalization Initiative. Action items under that Comprehensive Master Plan are currently being pursued. To facilitate this, DRI funded \$150,000 to update the City's Zoning to more of a form-based code.

Similarly, over the course of 2019 – 2024, the City developed new programs and efforts in order to improve the quality and condition of the housing stock as a means of growth and development. In 2020, the City received \$1.3 million dollars for a three-year grant from the HUD Office of Lead Hazard Reduction and Healthy Homes. After successful allocation of the 2020 program funds, the City was awarded an additional \$1.5 Million from the Office of Lead Hazard Reduction and Healthy Homes. The new performance period is January 2023 – June 2026. The program runs in partnership with the Chemung County Health Department and has helped the City to address causes of lead paint poisoning. The program provides funding for construction rehab costs to address lead paint hazards on residential properties within the City of Elmira. Additionally, the City received \$1 million dollars from the New York State Attorney General's Office for each of the following programs: the Anti-Displacement Learning Network, and Cities for Responsible Investment and Strategic Enforcement ("Cities RISE"). These two programs from the Attorney General's Office were designed to help neighborhoods faced with poor housing conditions and severe code violations. The funds have helped the City develop a new inspection program for rental properties, a rental rehab program, neighborhood cleanup programs, and funding for homeless prevention and legal services at a community-based organization. In 2024, the City was also awarded \$935,460 from New York State Homes and Community Renewal for the Vacant Rental Program (VRP). The funds will be used to rehabilitate vacant and abandoned rental properties. The program will launch in early 2025 and will run until 2027, giving local property owners access to capital for renovation and rehabilitation projects.

## **Empire State Poverty Reduction Initiative**

The 2016 New York State Budget included \$1,000,000 for the City of Elmira under the Empire State Poverty Reduction Initiative. This program has involved the creation of a community task force and work groups. A Phase 1 plan was completed and submitted to the State in 2017. Southern Tier Economic Growth (STEG) has been leading the process including the procurement of the consultant team. Former Governor Cuomo announced five projects to be funded utilizing \$800,000 of implementation funds under this program which include: 1. Funding to the Chemung County Department of Social Services to hire three community navigators at locations throughout the community to help connect individuals with services; 2. The establishment of a grant fund for entrepreneurs and small business owners; 3. A Housing Revitalization Gap Fund to address the need for safe and affordable rental housing; and 4. Funding to the Chamber of Commerce for a new Entrepreneur Mentoring and Networking Program.

## **New York Main Street Redevelopment Projects**

In addition to the above projects, Elmira Downtown Development, Inc. (EDD), the City's Business Improvement District (BID) managing partner has received and administered over \$1 million through the New York Main Street Program. This program provides matching funds for façade improvements and interior renovations. These funds are targeted to three streets within the downtown area, with the majority of the committed work being concentrated on West Water Street. To date, 15 properties have received façade and interior renovations through this program, including New York Sports and Fitness, Roundin' Third Sports Bar, Riverside Suites, the former Werdenbergs, and the Clemens Center, to name a few. New York Main Street funds have resulted in a total investment of public and private funds of \$3.3 million. EDD has also undertaken a significant streetscape enhancement program using New York Main Street funds and which has resulted in the addition of trees, benches, new historic lighting for the City's Mark Twain Riverfront Park and other pedestrian amenities downtown.

In December 2014, EDD was awarded a \$200,000 New York Main Street grant for a South Main Street mixed use project that included building and facade renovations as well as streetscape enhancements. Design and construction work on two key properties was completed in the 2015 construction season. Elmira Downtown Development also made the \$47,000 remaining of the grant available for the Housing Visions Chemung Crossing project, in keeping with the Southside Rising Revitalization Strategy funded under the New York State Brownfield Opportunity Areas Program.

In September 2023, Elmira Downtown Development, Inc. was awarded \$354,375 in stabilization funds to assist with the removal of asbestos containing materials at 201 Baldwin Street in Elmira to prepare the building for reuse. The site is a former newspaper printing facility and is over 5,000 square feet so there are many opportunities for reuse and development of the space.

## **Housing Visions Chemung Crossing Project**

The City of Elmira, utilizing CDBG and HOME funds, provided assistance to Housing Vision's Chemung Crossing project which is a 45-unit quality, affordable rental housing development with first-floor commercial space on South Main Street. The \$15.1 million Chemung Crossing project broke ground in November 2017 and is a mixed-use scattered site project within the South Main, W. Henry, and Harmon St. neighborhood. The project includes the new construction of six duplexes and the rehabilitation of two historic buildings that will transform a distressed neighborhood. In addition to the \$309,964 of City of Elmira CDBG and HOME funding, the project was financed with a combination of federal and state funds and tax credit programs. All units were constructed using green building practices and incorporated energy efficiency measures that adhere to the EPA Energy Star Guidelines for Energy Star Labeled Homes Program. At the formal ribbon cutting to open the project in November 2019, all 45 units were leased.

## **I-86 Corridor Project**

The City of Elmira is a participant in the I-86 Corridor Project which is aimed at creating a cohesive economic development blueprint that results in the I-86 Corridor between I-99 and Elmira's Exit 56 becoming the nexus of growth for business expansion and new business development in the Southern Tier. The City is joined with Chemung County, Town of Big Flats, Town and Village of Horseheads, City of Corning, and Corning Enterprises as well as business, educational, and economic development stakeholders.

## Summary of Capital Improvement Program - Summary of Funding Sources

The City has worked to improve the infrastructure needs for industry and is focusing on the long-term investment to help future City expansion. Increases in New York State and federal revenue have helped to fund the transportation improvements, which constituted the highest expenditure category over eight of the past nine years. In 2021, transportation accounted for 95% of the capital expenditures. These improvements are helping to greatly improve vehicular access within the City. Note that where bonding is listed as a funding source, a bond ordinance has been adopted by the Council authorizing the issuance of debt for each specific object or purpose to be financed.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
NYS - Other	\$3,982,279	\$4,609,562	\$3,472,070	\$2,101,073	\$2,563,447	\$5,199,449	\$2,943,302
Federal	5,503,138	3,146,756	7,259,925	7,083,000	6,920,017	3,527,557	115,000
Interfund	151,439	198,496	0	0	0	0	0
Other	271,200	1,124,179	593	0	265,000	0	0
Bonding	1,946,712	1,593,960	1,942,431	2,989,262	3,549,500	3,296,500	3,498,798
<b>Total</b>	<b>\$11,854,768</b>	<b>\$10,672,953</b>	<b>\$12,675,019</b>	<b>\$12,173,335</b>	<b>\$13,297,964</b>	<b>\$12,023,506</b>	<b>\$6,557,100</b>

Note: The increase in Economic Development Spending for Fiscal Year ending 2019 is due to Restore NY and DRI spending. See "THE CITY - RESTORE NY Grants" herein for additional information.

## Capital Improvement Programs - Summary of Project Expenditures

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Parks	\$219,862	\$195,074	\$283,443	\$405,000	\$130,000	\$780,000	\$384,000
Transportation	8,320,012	5,374,497	12,071,072	2,358,600	3,960,447	7,674,449	3,678,000
Public Safety	754,461	372,891	175,800	491,500	216,000	190,500	540,000
Fleet	-	351,333	78,582	901,000	914,000	800,000	725,000
Economic Development	2,057,937	3,893,622	-	-	-	1,750,000	0
American Rescue Plan	-	-	-	7,200,000	7,328,017	603,557	0
General Government	502,496	407,499	66,122	817,235	749,500	225,000	1,230,100
<b>Total</b>	<b>\$11,854,768</b>	<b>\$10,594,916</b>	<b>\$12,675,019</b>	<b>\$12,173,335</b>	<b>\$13,297,964</b>	<b>\$12,023,506</b>	<b>\$6,557,100</b>

## The City as Employer and Provider of Services

The City provides a full range of services to its residents. Services include Police and Fire departments. The Elmira Police Department received accreditation with the New York State Law Enforcement Accreditation Program (LEAP). In 2009, the Elmira Police Department opened a Regional Public Safety Training Center for the purpose of training regional public safety first responders. Periodically, the center holds New York State certified classes for both new recruits and seasoned officers continuing their law enforcement training.

In 2015, the City signed an outsourcing arrangement with Chemung County. The City transferred the employees in the Department of Public Works (DPW) to the County, and now purchases the services from the County. As the County utilizes these resources to serve the entire County, the rate at which the City purchases the services is significantly subsidized. DPW provides traffic control, parking facilities, street lighting, construction, maintenance, and snow removal. In addition, the Division of Building and Grounds operates and maintains city-wide recreational centers and playgrounds. A similar outsourcing arrangement was made in 2016 for the Buildings and Grounds Division. This agreement was terminated and the employees returned to the City on February 1, 2021.

The Elmira Urban Renewal Agency (“EURA”) employs 6 full-time persons, and its offices are located in City Hall. The Agency is responsible for administering the City’s Federal Community Development Block Grant and Home awards as well as other special grant programs. Programs and activities funded under the CDBG Program include the Owner-Occupied Rehabilitation Program, First Time Homebuyers Program, Enhanced Street and Park Improvement Program, local nonprofit programs for youth and senior citizens, Elmira Downtown Signage and Façade Program and the City of Elmira’s Revolving Loan Program which offers low interest loans to businesses. Additionally, the City utilizes a portion of its CDBG funds via contracts with local community service providers who offer a myriad of programs and activities for the low-income population as well as the Code Enforcement Department that performs housing inspections for the First-Time Homebuyer Program and Owner-Occupied Rehabilitation Program.

**City Employees and Primary Sources of Payroll Funding: 2016-2024**

<u>Year</u>	<u>General Fund</u>	<u>Other</u>	<u>Total</u>
2016	233	11	244
2017	213	11	224
2018	216	11	227
2019	215	11	226
2020	195	13	208
2021	230	13	243
2022	236	17	253
2023	221	14	235
2024	227	14	241

Source: City officials.

**FINANCIAL MATTERS**

**Financial Organization**

The City Chamberlain is the chief fiscal officer of the City whose responsibility is to receive, disburse and account for all financial transactions of the City.

**Investment Policy**

Pursuant to the statutes of the State of New York, the City is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the City; (6) obligations of a New York public corporation which are made lawful investments by the City pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of City moneys held in certain reserve funds established pursuant to law, obligations issued by the City. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The City’s adopted investment policy is consistent with the Act.

## Budgetary Procedures

The department and agency heads present their budget requirements for the upcoming fiscal year to the City Manager on or before a date set by the City Manager each year. On or before the 15th day of November, the City Manager presents a proposed budget for the upcoming year along with a budget message. The Council, at a regular or special meeting held after a public hearing, shall by resolution adopt or amend and adopt the budget, which shall there upon become the annual budget of the City for the upcoming fiscal year. The budget cannot be adopted prior to January 1st of the fiscal year covered. The Council must adopt a budget by January 31<sup>st</sup> of the fiscal year to be covered.

The City's adopted 2025 budget can be viewed on the City's website at:

<https://www.cityofelmira.net/183/Chamberlains-Office>

## State Aid

The City receives financial assistance from the State, which accounts for approximately 12.8% of the City's revenues for the current fiscal year. If the State should ever experience revenue shortfalls or difficulty in borrowing funds in anticipation of the receipt of State taxes and other revenues to pay State aid to the City and other political subdivisions in the State, the City may be affected by a delay in the receipt of State aid until sufficient State taxes and other revenues have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner again said political subdivisions might be affected by a delay in the payment of State aid.

The City's actual State aid revenues for the years 2014 to 2024 and budgeted revenues for 2025 are listed below:

<u>Fiscal Year</u>	<u>State Aid Revenues</u> <sup>(1)</sup>
2014	\$ 4,578,801
2015	4,578,801
2016	4,578,801
2017	4,578,801
2018	4,578,801
2019	4,578,801
2020	3,363,041
2021	6,816,543
2022	4,578,801
2023	4,578,801
2024	4,578,801
2025 (Budgeted)	4,578,801

<sup>(1)</sup> Represents Basic State aid.

The City also adopted a multi-year budgetary plan and submitted it to the State as part of the requirement for the additional aid. The final 2024-2025 New York State budget includes State aid of \$4,578,801 for the City. The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions that eliminate or substantially reduce State aid could have a material adverse effect upon the City requiring either a counter balancing of revenues from other sources to the extent available or a curtailment of expenditures.

## Pension Payments

Substantially all employees of the City are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non-contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The City’s payments to ERS and PFRS since 2020 have been as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2020	460,013	2,614,224
2021	811,800	3,225,205
2022	519,567	3,102,714
2023	468,318	3,047,012
2024 (Actual)	436,783	3,465,277
2025 (Budgeted)	497,000	3,555,000

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The City’s early retirement incentive in the form of two additional years of free healthcare (no premium contribution required) if an eligible employee retired by the end of 2017 has expired.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2020 to 2025) is shown below:

<u>State Fiscal Year Ending</u>	<u>ERS</u>	<u>PFRS</u>
2020	14.6%	23.5%
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the City, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The City participated in the Original Contribution Stabilization Program and amortized contributions for 2013, 2014 and 2015. However, the City has not amortized any of its contributions since then. In December 2021, the City paid a total of \$690,555.01 to liquidate the outstanding 2013, 2014, and 2015 amortizations balances for ERS and PFRS.

The City does not anticipate that it will amortize future regular pension contributions to the State Retirement System. As part of union negotiations in 2018, the City agreed to grant EFA enhanced retirement benefits and amortized the past service cost of \$248,156 annually for 10 years.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the City’s employees is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

## **Other Post-Employment Benefits**

Healthcare Benefits. It should also be noted that the City provides post-retirement healthcare benefits to various categories of former employees. These costs may rise substantially in the future. Accounting rule, GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), requires governmental entities, such as the City, to account for post-retirement healthcare benefits with respect to vested pension benefits. GASB 45 is now fully implemented for all government entities.

OPEB. Other Post-Employment Benefits (“OPEB”) refers to “other post-employment benefits,” meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the GASB released new accounting standards for public other postemployment benefits (OPEB) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended December 31, 2018, the City implemented GASB 75. The implementation of this statement requires municipalities to report Other Post-Employment Benefits (“OPEB”) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

*Summary of Changes from the Last Valuation*

The following outlines the changes in the Net OPEB Liability for the 2023 and 2024 fiscal years, by source:

Net OPEB Liability of the City:

Balance at fiscal year beginning January 1:	2022	2023
	<u>\$ 49,685,608</u>	<u>\$ 42,915,201</u>
Changes in Net OPEB Liability:		
Service cost	2,634,288	1,839,933
Interest	1,057,242	1,629,414
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(7,054,564)
Changes in assumptions or other inputs	(8,466,984)	4,150,769
Benefit payments	<u>(1,994,953)</u>	<u>(1,907,355)</u>
Net Changes	<u>\$ (6,770,407)</u>	<u>\$ (1,341,803)</u>
<b>Balance at fiscal year beginning January 1</b>	<b>2023</b>	<b>2024</b>
	<u><u>\$ 42,915,201</u></u>	<u><u>\$ 41,573,398</u></u>

Source: GASB 75 Actuarial Valuations of the City. The above tables are not audited.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

The City's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the City's finances and could force the City to reduce services, raise taxes or both.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The City has reserved \$0 towards its OPEB liability. The City funds this liability on a pay-as-you-go basis.

**Financial Statements**

The accounting firm, Inero & Co., CPAs, LLP, of 20 Thornwood Drive, Suite 200, Ithaca, NY 14850 audited the City's financial statement for the period ended December 31, 2023, which has been filed to the Electronic Municipal Market Access website and is attached hereto as "APPENDIX-F" to this Official Statement. Copies of the audit report are available for public inspection at the City Clerk's office. The City's audited financial statements for the fiscal year ended December 31, 2024 are not complete as of the date of this Official Statement, and are expected to be completed by August 2025.

The City complies with the Uniform System of Accounts as prescribed for cities in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units" and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the Governmental Accounting Standards Board ("GASB").

Beginning with the fiscal year December 31, 2003 the City is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The City is currently in compliance with Statement No. 34.

## Summary of Recent Financial Results and Budgets

### *Fiscal Year Ending December 31, 2023*

2023 actual expenditures included a property tax increase of 1.0%. Total expenditures were \$40,754,810, including a net transfer to debt service of \$3,690,280. Actual revenues were \$41,063,491, ending the year with positive fund equity of \$7,457,239.

### *Fiscal Year Ending December 31, 2024 (Amended Budget)*

The 2024 budget includes a property tax increase of 2.0%. Total expenditures are budgeted at \$55,038,406, including a transfer to debt service of \$4,073,107. Total revenues are budgeted at \$55,038,406, including a \$2,488,904 budgeted appropriation of General Fund balance and ending the year with budgeted positive fund equity of \$4,968,335. (These figures include a \$588,904 budget amendment for increase in expenditures for incremental salary / benefits expenses that were approved upon the renewal of the Police Benevolent Association contract in March 2024.)

### *Estimated Results for Fiscal Year Ending December 31, 2024 (Unaudited Estimates)*

Projected expenditures for 2024 are \$46,965,484, including a net transfer to debt service of \$3,865,775. Total revenues are projected to be \$41,388,192. The City estimates concluding the fiscal year ending December 31, 2024 with an ending fund balance of approximately \$1,879,947. Summary projected information for the General Fund for the period ending December 31, 2024 is as follows:

Fiscal Year 2024 Projected Revenues:	\$ 41,388,192
Fiscal Year 2024 Projected Expenditures:	<u>46,965,484</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ (5,577,292)</u>
Total General Fund Balance at December 31, 2023:	\$ 7,457,239
Total Projected General Fund Balance at December 31, 2024:	\$ 1,879,947

Through December 2024, the City owes Chemung County \$1.31 million in health insurance overrun costs. Any additional insurance bills that are received for 2024 will increase this amount. The health insurance overrun cost is scheduled to be paid in February of 2025, and will impact the 2024 year-end fund balance. Furthermore, Chemung County has notified the City that it is adjusting how it will approach property tax foreclosure as a result of a recent Supreme Court decision. The County has indicated that instead of purchasing unpaid property tax receivables in February each year, on April 1<sup>st</sup> of each year, the County will take over collection of the immediate prior year City tax delinquencies and remit to the City the following month the City taxes collected by the County. In November of each year, if the City's prior year delinquencies have not been fully collected, the County will pay to the City the then amount of delinquent prior year taxes which remain unpaid. The delay in timing of receipt of the payment of delinquent taxes to the City are anticipated to adversely impact the finances and year end fund balance of the City.

Note: The above projections are based upon certain current assumptions and estimates, and the unaudited and final audited results may vary therefrom. Table itself is not audited.

### *Fiscal Year Ending December 31, 2025 (Budget)*

The 2025 budget includes a property tax increase of 5.3%. Total expenditures are budgeted at \$50,756,678, including a transfer to debt service of \$3,878,566. Total revenues are budgeted at \$50,756,678, including a \$3,500,000 budgeted appropriation of General Fund balance, resulting in negative fund equity of \$(1,620,053). The City has switched health insurance providers effective January 1, 2025, and there is not anticipated to be an overrun of health insurance costs moving forward. Total 2025 health insurance costs are anticipated to be approximately 28% higher, which includes stop loss insurance.

Source: City officials.

## The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller (“OSC”) has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the 2019 to 2023 fiscal years of the City are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	6.3
2022	No Designation	6.3
2021	No Designation	6.3
2020	No Designation	14.6
2019	No Designation	41.3

Note: The fiscal stress score for the fiscal year ended December 31, 2024 has not been calculated as of the date of this Official Statement.

For additional details regarding the Fiscal Stress Monitoring System visit the State Comptroller’s official website.

Note: References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

## New York State Comptroller Reports of Examination

State Comptroller's Office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office released its most recent audit report of the City on October 30, 2020. The purpose of the audit was to revisit the City in May 2020 to review progress implementing the recommendations from the City’s 2017 audit.

### Results of Review:

Based on our limited procedures, it appears that the City has made progress implementing corrective action. Of the nine audit recommendations, three recommendations were fully implemented, five recommendations were partially implemented and one recommendation was not implemented.

A copy of the complete report can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website. <http://www1.osc.state.ny.us/auditsearch/auditsearch.cfm>

The State Comptroller’s office released its most recent audit report of the City on August 4, 2017. The purpose of the audit was to examine the City’s financial condition for the fiscal years 2013 – 2015. Key findings and recommendations of the audit report are summarized below:

Key Findings:

- Financial information was not reported timely during the fiscal year, and annual financial reports were not filed on time with OSC.
- The City incurred operating deficits from 2013 through 2015 totaling \$4.5 million, and unassigned fund balance that totaled \$1.8 million at the end of 2013 declined to a deficiency of more than \$1.6 million at the end of 2015.
- State aid revenue was not appropriately restricted for revenue anticipation note (RAN) repayment as statutorily required.

Key Recommendations:

- Require routine financial reporting during the year and timely filing of annual financial reports.
- Closely monitor the City’s finances, including available fund balance and cash balances, to prevent further decline in financial condition.
- Include appropriations in the subsequent year’s budget to redeem RANs or require that revenues be restricted for repayment.

A copy of the complete report as well as the City’s response to the audit can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website. <http://www1.osc.state.ny.us/auditsearch/auditsearch.cfm>

Note: References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

**TAX INFORMATION**

**Property Valuation and Tax Data**

<u>County Tax Roll</u>	<u>Assessment Roll</u>	<u>Assessed Valuation</u>	<u>Equalization Rate</u>	<u>Full Valuation</u>
2021	2020	\$565,860,981	83.0%	\$681,760,218
2022	2021	559,814,946	85.0%	658,605,819
2023	2022	561,408,606	70.0%	802,012,294
2024	2023	561,807,622	66.0%	851,223,670
2025	2024	559,179,382	61.0%	916,687,511

Source: City officials.

**Constitutional Tax Margin**

Computation of Constitutional Tax Margin for fiscal years ending December 31 for 2019 through 2025 are as follows:

<u>Fiscal Year Ending:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Five-year Average Full Valuation	\$682,069,104	\$678,296,441	\$702,084,032	\$733,662,391	\$782,030,178
Tax Limit - 2% of Five-year Average	13,682,017	13,565,929	14,041,681	14,673,248	15,640,604
Add: Exclusions from Tax Limit	4,055,292	4,231,427	4,277,011	4,539,324	4,225,134
Total Taxing Power	17,737,309	17,797,356	18,318,691	19,212,572	19,865,738
Less Total Levy	15,795,004	15,618,770	15,681,457	16,170,243	16,948,758
Tax Margin	1,942,305	2,178,586	2,629,970	3,042,329	2,916,980
Tax Limit Exhausted by Levy	85.80%	83.94%	81.27%	79.27%	81.35%

Source: City officials.

## Tax Levies and Collections

The City is on a calendar year ending December 31. The City tax rate is based on an amount per \$1,000 assessed valuation. City Real Property tax invoices are prepared based on an Annual Assessment Roll as of August 10 of the prior year. The City Chamberlain receives substantially all tax payments semi-annually by May 15 and September 15. Late payments made after February 14 of the following year are purchased by the County by February 28. The County then initiates collection and foreclosure proceedings for all taxes unpaid at March 31 of the following year under a 1995 foreclosure agreement with the City. After the County attains marketable title to such property, the County includes these properties in its annual auction. Delinquent taxes are subject to a penalty of 5% after May 15 and 5% after September 15 with interest at 12% per annum additional after September 15.

Since 1995 Chemung County has assumed responsibility for unpaid City and School District real property taxes. This procedure has improved the City's collections. Please note that the County has notified the City that the County's former practice of making the City whole by buying out the City's delinquent prior year City taxes in February of the current year will no longer occur. The County has indicated that on April 1<sup>st</sup> of each year, the County will take over collection of the immediate prior year city tax delinquencies, and remit to the City the following month the city taxes collected by the County. In November of each year, if the City's prior year delinquencies have not been fully collected the County will pay to the City the then amount of City delinquent taxes which remain unpaid. This change potentially adversely impacts the City in the timing of being paid for prior year delinquencies.

<u>Fiscal Year</u>	<u>Tax Rate Per \$1,000 Assessed Value</u>	<u>Tax Levy % Of Limit</u>	<u>Tax Levy (\$000)</u>	<u>% Collected</u>
2021	\$27.67	85.8%	\$15,795	100.0%
2022	27.67	83.9	15,619	100.0
2023	27.95	81.3	15,689	100.0
2024	28.49	79.3	16,170	88.7
2025	30.04	81.4	16,949	N/A

Source: City officials.

## Ten Largest Taxpayers – 2023 Assessment Roll

<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxable Assessed Value</u>
NYSEG	Public Electric & Gas Utility	\$ 40,255,189
Wegmans Food Markets Inc	Grocery	5,190,000
Dewittsburg Housing	Residential	4,565,000
Norfolk Southern Corp	Transportation / Railroad	4,511,851
FM Howell & Company	Manufacturing / Distribution	4,497,000
McWane Inc	Foundry / Manufacturing	3,860,300
Hilliard Corporation	Manufacturing	3,127,800
James Capriotti	Property Development / Mgmt	3,002,500
Chemung Canal Trust Company	Financial	2,842,250
Weis Markets, Inc.	Grocery / Gas	2,789,000

The taxpayers listed above have a total assessed valuation of \$74,640,890 which represents 13.3% of the City's taxable assessed valuation.

There are a few pending tax certiorari cases as of the date of this Official Statement. If the cases were resolved completely in favor of the petitioners, the City's total maximum financial exposure is estimated to be \$175,000 to \$200,000, payable over a spread of several years.

Source: City officials.

## Intergovernmental Cooperation and Sales Tax Revenues

The City has expended a great deal of effort to cultivate favorable relationships with other governments including nearby towns and villages as well as the County. The City has benefited significantly from its efforts.

The City's sales tax revenue is a result of an agreement with the County which provides that from the net proceeds of the first three percent of the County sales tax collected, 34.55% of the monies are paid to the City and other municipalities in the County. The municipalities share this amount in proportion to the municipality's share of the total County population as determined by the 2020 federal census. This agreement guarantees the City a percentage of sales tax revenues, thus securing and enhancing the City's receipt of such revenues.

The City's sales tax revenues for the years under this agreement are as follows:

<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>
2015	\$ 6,260,465
2016	5,759,932
2017	5,531,755
2018	5,567,960
2019	5,683,700
2020	5,387,829
2021	6,313,498
2022	5,803,750
2023	5,981,876
2024 (Actual)	5,356,356 (Amount collected through November 30, 2024)
2025 (Budgeted)	6,200,000

Beginning in 2015, the sales tax agreement with the County reduced the City's share of the total shared from 16.4% to 14.9% in 2015, to 14.0% in 2016, 13.1% in 2017, 12.1% annually from 2018 to 2021. The City's share for 2022 and 2023 was adjusted to 10.5% to incorporate the results of the 2020 Census along with a reduced County share allocated to the City and Towns. The County increased the share allocated to the City and Towns modestly resulting in a 10.88% share for the City for 2024 to 2026. The current sales tax agreement expires December 31, 2026.

The City reached an agreement with the County in 1995 for the County to assume collection of delinquent real property taxes for both the City School District (the "School District") and City levies. The County continues to assume collection of delinquent School District and City levies. The City's foreclosure agreement with the County automatically renews each year unless notice of termination is provided by either party six months prior to renewal. The County has notified the City that the County's former practice of making the City whole by buying out the City's delinquent prior year City taxes in February of the current year will no longer occur. The County has indicated that on April 1<sup>st</sup> of each year, the County will take over collection of the immediate prior year city tax delinquencies, and remit to the City the following month the city taxes collected by the County. In November of each year, if the City's prior year delinquencies have not been fully collected the County will pay to the City the then amount of City delinquent taxes which remain unpaid. This change adversely impacts the City in the timing of being paid for prior year delinquencies.

Various shared service agreements have been reached with the County. Effective January 1, 2003, the City and the other participating municipalities are no longer obligated to pay the County for E-911 Communications System services, resulting in an annual savings to the City of approximately \$300,000. In addition, Purchasing has been shared with the County for several years and the staff costs (formerly in excess of \$60,000 annually) have been totally absorbed by the County effective in 2015.

The City and County signed an agreement in March 2015 whereby the County has hired 20 former City staff members who were formerly in the Department of Public Works performing the street maintenance, snow removal, fleet maintenance and engineering functions. These staff members now perform those same functions for the City while on the County payroll. The annual cost of these staff members has been absorbed by the County since 2019, with the exception of overtime costs. The City owes the County \$907,075 to complete payments for the DPW and the former Buildings and Grounds shared service arrangements. The City and the County negotiated the payment schedule, and the City has agreed to make five equal payments of \$181,415 to the County. In 2025, the City has budgeted to make the second of these five payments to the County.

## TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor, as amended, (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

The City's tax limit (taxing power) is 2% of the 5-year average full valuation. The City Council voted to override the tax cap for the 2013 to 2023 and 2025 budgets, however, it did not do so for the 2024 budget.

## STATUS OF INDEBTEDNESS

### Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and its indebtedness (including the Notes), include the following provisions:

**Purpose and Pledge.** Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment unless the City determines to issue debt amortized on the basis of substantially level or declining annual debt service. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

**Debt Limit.** Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the City is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

**Statutory Procedure**

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the City Charter and the General Municipal Law.

Pursuant to the Local Finance Law and its Charter, the City authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the City Council, the finance board of the City. Customarily, the City Council has delegated to the Director of Finance, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- (3) An action contesting such validity, is commenced within twenty days after the date of such publication, or,

Such obligations are authorized in violation of the provisions of the Constitution.

The City generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the City, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The City has authorized bonds for a variety of City objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein.)

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget, deficiency and capital notes (see “Details of Outstanding Indebtedness” herein).

**Debt Outstanding End of Fiscal Year**

<u>Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds – General City	\$ 23,535,320	\$ 25,314,066	25,324,202	\$ 25,901,820	\$ 25,996,940
Elmira Water Bonds	2,910,947	2,400,132	1,952,823	1,496,280	1,053,160
Pension Obligations <sup>(1)(2)</sup>	1,723,419	1,396,812	851,193	749,301	698,057
Lease Liabilities <sup>(2)</sup>	--	331,209	326,835	364,106	218,956
Bond Anticipation Notes	3,499,645	0	0	0	0
Revenue/Tax Anticipation Notes	<u>5,000,000</u>	<u>4,750,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 36,669,331</u>	<u>\$ 34,192,219</u>	<u>\$ 28,455,053</u>	<u>\$ 28,511,507</u>	<u>\$ 27,967,113</u>

(1) Pension obligations represent the supplemental retirement payment for employees under General Municipal Law Section 207a. The amortization of the annual retirement system obligation is for ten years at 8%.  
 (2) Does not constitute general obligation debt of the City. See “Other Obligations” herein.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the City evidenced by bonds and notes as of February 21, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds:</u>		
General City	2025-2039	\$ 25,996,940
Elmira Water Bonds	2023-2029	1,053,160
<u>Bond Anticipation Notes</u>	--	<u>0</u>
	Total Debt Outstanding	<u>\$ 27,050,100</u>

**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of February 21, 2025:

Five-Year Average Full Valuation of Taxable Real Property.....	\$ 782,057,902
Debt Limit - 7% thereof .....	54,744,053
<u>Inclusions:</u>	
Bonds <sup>(3)</sup> .....	\$ 27,050,100
Bond Anticipation Notes .....	<u>0</u>
Total Inclusions.....	\$ 27,050,100
<u>Exclusions:</u>	
Water Debt <sup>(1)</sup> .....	\$ 1,542,720
Appropriations <sup>(2)</sup> .....	<u>2,787,380</u>
Total Exclusions.....	<u>\$ 4,330,100</u>
Total Net Indebtedness.....	<u>\$ 22,720,000</u>
Net Debt-Contracting Margin .....	<u>\$ 32,024,053</u>
The percent of debt contracting power exhausted is .....	41.50%

- (1) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.
- (2) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Does not include lease liabilities or pension obligations.

**Bonded Debt Service**

A schedule of bonded debt service, including the principal of the Bonds, may be found in “APPENDIX – B” to this Official Statement.

**Cash Flow Borrowings**

The City has found it necessary to borrow revenue anticipation notes in the past. The ten most recent borrowings of such notes since the 2015 fiscal year are as follows:

<u>Fiscal Year</u>	<u>Type</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Net Interest Rate %</u>
2015	RAN	\$ 4,000,000	8/27/15	5/27/16	0.60%
2016	RAN	4,000,000	6/10/16	5/26/17	1.19
2017	RAN	4,000,000	5/31/17	5/25/18	2.38
2018	TAN	5,450,000	5/30/18	5/24/19	3.50
2019	TAN	5,000,000	5/30/19	5/22/20	2.92
2020	TAN	4,750,000	6/3/20	5/27/21	4.30

## Other Obligations

The City entered into an operating lease for 56 golf carts and 5 no-cost utility vehicles for the Mark Twain Golf Course commencing November 2024 and ending November 2028 for twenty-four equal lease payments of \$10,972 each.

The City has three five-year operating leases for two Ford F-250 trucks and a Ford Transit van, commencing early 2022. Monthly payments for the three vehicles total \$830.

In addition, currently the City has leases for fourteen police patrol vehicles and eight detective bureau vehicles at a fully-equipped monthly rental rate of \$21,781. Payments commence once the vehicles have been equipped and delivered to the City. As of February 21, 2025, eight patrol vehicles and six detective bureau vehicles have been delivered to the City and are now in use.

For the period from January 1, 2002 to January 1, 2007, the City was a member of the Public Entity Trust of New York (“PETNY”). PETNY became insolvent in 2008. The State Worker’s Compensation Board did a forensic review of PETNY’s operation. Based upon that review, the Board notified the City that it owed PETNY approximately \$700,000. In 2017, the City and the Board reached a settlement in which the City agreed to pay the Board \$508,946 in monthly payments of \$2,822 over 20 years, including interest at 3% annually. See also “LITIGATION” herein.

Source: City officials.

## Capital Project Plans

The City considers its capital needs on an annual basis and typically issues obligations to fund its capital needs in the \$1.5 - \$4.0 million range when necessary.

The Elmira Water Board is planning the issuance of bonds in the amount of approximately \$5,870,789 in 2025. The formal authorization to borrow was adopted August 19, 2019. The Board is applying to the NYS Environmental Facilities Corporation (“EFC”) for grants and also for potentially issuing short-term and/or long-term obligations through EFC.

## Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Estimated Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Chemung	12/5/2024 <sup>(5)</sup>	\$ 154,380,148	\$ 123,329,044 <sup>(3)</sup>	\$ 31,051,104	14.90%	\$ 4,626,614
City School District of the City of Elmira	12/11/2024 <sup>(5)</sup>	63,275,000	62,009,500 <sup>(4)</sup>	1,265,500	41.14%	<u>520,627</u>
					Total:	<u>\$ 5,147,241</u>

<sup>(1)</sup> Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

<sup>(2)</sup> Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.

<sup>(3)</sup> Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

<sup>(4)</sup> Estimated State Building aid.

<sup>(5)</sup> Source: Most recent available official statement or disclosure filing of the municipality obtained from EMMA.

**Debt Ratios**

The following table sets forth certain ratios related to the City's indebtedness as of February 21, 2025:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Gross Direct Indebtedness <sup>(c)</sup> .....	\$ 27,050,100	\$ 1,033.39	2.95%
Net Indebtedness <sup>(c)</sup> .....	22,720,000	867.97	2.48
Gross Direct Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	32,197,341	1,230.03	3.51
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	27,867,241	1,064.61	3.04

- (a) The City's 2023 estimated population is 26,176. (See “THE CITY - Population Trends” herein.)
- (b) The City's full valuation of taxable real estate for its 2024 assessment roll is \$916,687,511. (See “TAX INFORMATION – Property Valuation and Tax Data” herein.)
- (c) See “Debt Statement Summary” herein.
- (d) The City's applicable share of gross overlapping indebtedness is \$5,147,241. (See “Estimated Overlapping Indebtedness” herein.)

**SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

**General Municipal Law Contract Creditors’ Provision.** Each Note, when duly issued and paid for, will constitute a contract between the City and the holder thereof. Under current law, provision is made for contract creditors of the City to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the City, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the City could be adversely affected by the restructuring of the City’s debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors’ rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality’s debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed

by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

**No Past Due Debt.** No principal of or interest on City indebtedness is past due. Due to a clerical error, the City's December 15, 2023 interest payment on its 2016 serial bonds was \$3,000 less than the required interest payment. When brought to the City's attention, the City promptly made the balance of the payment due. See also "CONTINUING DISCLOSURE" herein.

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The City is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the City, in any year, the City may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the City. In some years, the City has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE CITY - State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the City to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the City. Unforeseen developments could also result in substantial increases in City expenditures, thus placing strain on the City's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the City. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the City and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the City and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

## **Cybersecurity**

The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

## **COVID-19**

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak of the disease had affected travel, commerce and financial markets globally. Similar pandemics could have material adverse effects on the State and municipalities and school districts located in the State, including the City. The City will take such proactive measures as may be required and lawfully undertaken to maintain its operations and meet its obligations in light of such circumstances.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Town, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Town has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the Town or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – E".

## LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City Attorney does not believe, however, that such suits, individually or in the aggregate, if decided adversely to the City, are likely to have a material adverse effect on the financial condition of the City.

For the period from January 1, 2002 to January 1, 2007, the City was a member of the Public Entity Trust of New York ("PETNY"). PETNY became insolvent in 2008. The State Worker's Compensation Board did a forensic review of PETNY's operation. Based upon that review, the Board notified the City that it owed PETNY approximately \$700,000. In 2017, the City and the Board reached a settlement in which the City agreed to pay the Board \$508,946 in monthly payments of \$2,822 over 20 years, including interest at 3% annually. See also "STATUS OF INDEBTEDNESS – Other Obligations" herein.

In 2017, the City and the EWB were notified by the Environmental Protection Agency ("EPA") that an approximate 11-acre pond in Elmira Heights, New York was contaminated, and the EPA directed a remediation project. Nine parties were identified as "responsible parties". The EWB is the owner of approximately one acre of the total acreage, and pursuant to the City Charter, the acre is in the name of the City. The nine parties entered into an agreement apportioning responsibility for the cost of the remediation project. The City and EWB were collectively assigned 9.5% of the projected cost. Clean-up cost is estimated to be approximately \$2 million. With an assigned percentage of 9.5%, the City-EBW exposure is approximately \$190,000. The EWB has agreed to pay 95% of the estimated \$190,000, leaving the City with an exposure of approximately \$9,500. See also "THE CITY – Elmira Water Board" herein.

Since 2012, the City Council has submitted an annual request to share in the EWB's "profits or surplus". Each year the EWB has denied the request. In 2014, the City commenced a legal action against the EWB seeking a judicial determination that the EWB was legally obligated to share its "profits or surplus" with the City. The action is presently pending, and discovery is being conducted. See also "THE CITY – Elmira Water Board" herein.

For general liability purposes other than police liability, the City is self-insured for the first \$100,000 of potential exposure in each case. There are several cases in litigation each seeking damages against the city and its police department for amounts in excess of one million dollars. The City is actively defending these cases. The City has police liability insurance of one million dollars for each case subject to self-insured retention of \$100,000 on each case. The City does not expect any of these cases to be resolved in 2025.

In addition to the foregoing, the City is contesting a few pending tax certiorari cases as of the date of this Official Statement. If the cases were resolved completely in favor of the petitioners, the City's total maximum financial exposure is estimated to be \$175,000 to \$200,000, payable over a spread of several years.

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City Attorney is of the opinion, however, that such suits, individually or in the aggregate are not likely to have a material adverse effect on the financial condition of the City. The City is insured separately for police liability with a self-insured retention of \$100,000 in each case. Presently, there is a case pending against the Police department in which the self-insured retention is expected to be totally paid out.

### **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the City will enter into a Continuing Disclosure Undertaking, descriptions of which are attached hereto as "APPENDIX – D, MATERIAL EVENT NOTICES".

The City currently retains Fiscal Advisors & Marketing, Inc. as a dissemination agent to assist the City with filings required under Rule 15c2-12. Such dissemination agent works with the City to help ensure that proper information is filed to the Electronic Municipal Market Access Website ("EMMA") as required under the City's disclosure undertakings. The City has not formally adopted any policies or procedures with regards to continuing disclosure at this time.

#### **Historical Continuing Disclosure Compliance History**

The City has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however,

- The City failed to file its 2021 audited financial statements by the end of the succeeding fiscal year as required by its previous undertakings. The 2021 audited financial statements were filed on January 9, 2023. A failure to file and failure to provide material event notification was filed on April 21, 2023.
- Due to clerical error the City's December 15, 2023 interest payment on its 2016 serial bonds was \$3,000 less than the required interest payment. When realized the City made the \$3,000 payment. The City provided notice of its interest payment delinquency and failure to provide event filing information as required on January 16, 2024.
- The City failed to file its 2023 audited financial statements by the end of the succeeding fiscal year as required by its previous undertakings. The 2023 audited financial statements were filed on February 6, 2025. A failure to file and failure to provide material event notification was filed on February 6, 2025.

It should also be noted that in a prior official statement of the City where a cash flow borrowing (revenue anticipation note) was included together with a bond issuance in the same official statement, the continuing disclosure undertaking of the bonds inadvertently cross referenced an appendix which referenced the estimated and actual cash flow as part of the set of appendices generally required to be included in the AFIOD that is filed on an annual basis. These estimated and actual cash flow statements are specific to that particular cash flow borrowing and are not typically referenced for inclusion as part of the form of AFIOD that is substantially required for bond disclosure undertakings, and as such the City has not filed such cash flow statements as part of its AFIOD in prior annual disclosure filings and only intends to provide such information only upon request. On May 19, 2020, the City filed a voluntary notice to EMMA to such effect.

## MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the City to the Municipal Advisor may be partially contingent on the successful closing of the Notes.

## CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the City provided, however; the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## RATINGS

The Notes are being sold NOT rated. The City does not intend to have the Notes rated post sale.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their rating of "A-" with a Positive outlook to the City's outstanding general obligation bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (877) 772-5436.

Moody's Investors Service ("Moody's") has assigned their rating of "Baa3" to the City's outstanding general obligation bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

## MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management's beliefs as well as assumptions made by, and information currently available to, the City's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City's files with the repositories. When used in City documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York Bond Counsel to the City expresses an opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the City will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the City.

The Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

The City hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the City nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the City disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City's contact information is as follows: Ms. Charmain Cattan, City Chamberlain, City Hall, 317 East Church Street, Elmira, New York 14901, telephone (607) 737-5658, fax (607) 737-5660, email: [ccattan@cityofelmira.net](mailto:ccattan@cityofelmira.net).

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com).

**CITY of ELMIRA**

**Dated: February 21, 2025**

**CHARMAIN CATTAN**  
**City Chamberlain**

GENERAL FUND

Balance Sheets

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSETS</b>					
Cash and Cash Equivalents - Unrestricted	\$ 6,892,143	\$ 9,026,217	\$ 6,104,088	\$ 7,176,361	\$ 7,959,476
Cash and Cash Equivalents - Restricted	345,837	96,846	12,343,011	4,821,630	3,482,765
Temporary Investments - Unrestricted	-	-	30,098	17,385,372	1,363,697
Temporary Investments - Restricted	-	-	-	-	13,062,620
Due from Other Funds	162,104	72,515	256,231	31,561	491,298
Due from State and Federal Governments	24,713	1,931	70,471	52,206	52,206
Due from Other Governments	3,116,301	3,373,224	3,351,715	3,420,327	3,567,588
Other Receivables, net	347,366	284,662	568,447	526,480	508,604
Prepaid Expenses	131,769	128,161	139,643	151,073	124,970
Leases Receivable	-	-	-	541,662	512,544
<b>TOTAL ASSETS</b>	<b><u>\$ 11,020,233</u></b>	<b><u>\$ 12,983,556</u></b>	<b><u>\$ 22,863,704</u></b>	<b><u>\$ 34,106,672</u></b>	<b><u>\$ 31,125,768</u></b>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable	\$ 482,785	\$ 662,689	\$ 719,249	\$ 651,601	\$ 2,389,079
Accrued Liabilities	2,725,014	2,606,012	2,830,665	3,052,253	3,171,966
Due to Other Funds	582,621	48,525	46,200	840,656	369,216
Due to Other Governments	436,233	170,841	8,457	-	-
Revenue/Tax Anticipation Notes Payable	5,000,000	4,750,000	-	-	-
Leases	-	-	-	538,894	501,675
Unearned Revenue	248,712	220,979	12,464,342	21,874,710	17,236,593
<b>TOTAL LIABILITIES</b>	<b><u>\$ 9,475,365</u></b>	<b><u>\$ 8,459,046</u></b>	<b><u>\$ 16,068,913</u></b>	<b><u>\$ 26,958,114</u></b>	<b><u>\$ 23,668,529</u></b>
<b>FUND EQUITY</b>					
Nonspendable	\$ 131,769	\$ 128,161	\$ 139,643	\$ 151,073	\$ 124,970
Restricted	312,599	96,846	96,846	96,846	96,846
Assigned	79,233	505,122	821,050	1,949,999	2,488,904
Unassigned	1,021,267	3,794,381	5,737,252	4,950,640	4,746,519
<b>TOTAL FUND EQUITY</b>	<b><u>1,544,868</u></b>	<b><u>4,524,510</u></b>	<b><u>6,794,791</u></b>	<b><u>7,148,558</u></b>	<b><u>7,457,239</u></b>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<b><u>\$ 11,020,233</u></b>	<b><u>\$ 12,983,556</u></b>	<b><u>\$ 22,863,704</u></b>	<b><u>\$ 34,106,672</u></b>	<b><u>\$ 31,125,768</u></b>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 15,075,022	\$ 15,210,003	\$ 15,647,365	\$ 15,524,430	\$ 15,687,446
Real Property Tax Items	907,295	991,909	1,033,429	1,177,857	1,101,485
Non-Property Tax Items	6,182,156	5,919,118	6,952,680	6,468,936	6,511,269
Departmental Income	4,474,048	4,464,988	4,542,352	4,398,079	4,461,120
Intergovernmental Charges	821,339	771,792	798,893	774,893	729,964
Use of Money & Property	57,517	72,439	73,488	316,384	1,289,459
Licenses and Permits	441,620	381,328	279,126	515,770	525,805
Fines and Forfeitures	209,265	110,645	98,486	75,039	68,022
Sale of Property and Compensation For Loss	50,237	168,841	154,142	73,002	131,944
Miscellaneous	133,486	220,377	185,185	282,713	215,269
Interfund Revenues	70,882	105,226	212,537	54,657	48,127
Revenues from State Sources	5,086,920	4,202,166	6,816,543	5,194,412	5,284,152
Revenues from Federal Sources	90,128	138,018	2,064,493	4,828,689	4,671,544
Total Revenues	<u>\$ 33,599,915</u>	<u>\$ 32,756,850</u>	<u>\$ 38,858,719</u>	<u>\$ 39,684,861</u>	<u>\$ 40,725,606</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 2,167,759	\$ 2,208,237	\$ 3,207,050	\$ 3,267,357	\$ 3,355,847
Public Safety	12,684,276	12,452,031	13,090,969	13,666,508	13,874,244
Transportation	1,127,369	1,218,312	1,224,704	1,349,931	1,310,324
Economic Assistance and Opportunity	149,111	441,079	1,026,069	263,505	525,901
Culture and Recreation	832,758	633,168	701,420	814,621	921,723
Home and Community Services	974,755	1,004,630	1,715,092	5,124,555	5,347,019
Employee Benefits	9,309,986	9,147,871	10,961,534	10,072,057	11,211,086
Debt Service	948,326	680,474	1,137,703	205,067	360,589
Total Expenditures	<u>\$ 28,194,340</u>	<u>\$ 27,785,802</u>	<u>\$ 33,064,541</u>	<u>\$ 34,763,601</u>	<u>\$ 36,906,733</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 5,405,575</u>	<u>\$ 4,971,048</u>	<u>\$ 5,794,178</u>	<u>\$ 4,921,260</u>	<u>\$ 3,818,873</u>
Other Financing Sources (Uses):					
Operating Transfers In	424,238	249,078	-	-	337,885
Operating Transfers Out	<u>(3,368,924)</u>	<u>(2,240,484)</u>	<u>(3,523,897)</u>	<u>(4,567,493)</u>	<u>(3,848,077)</u>
Total Other Financing	<u>(2,944,686)</u>	<u>(1,991,406)</u>	<u>(3,523,897)</u>	<u>(4,567,493)</u>	<u>(3,510,192)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>2,460,889</u>	<u>2,979,642</u>	<u>2,270,281</u>	<u>353,767</u>	<u>308,681</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	(916,021)	1,544,868	4,524,510	6,794,791	7,148,558
Prior Period Adjustment	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,544,868</u>	<u>\$ 4,524,510</u>	<u>\$ 6,794,791</u>	<u>\$ 7,148,558</u>	<u>\$ 7,457,239</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2023			2024	2025
	Adopted Budget	Final Budget	Audited Actual	Amended Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 15,972,827	\$ 15,972,827	\$ 15,687,446	\$ 16,004,403	\$ 17,138,758
Real Property Tax Items	435,316	435,316	1,101,485	968,401	794,746
Non-Property Tax Items	6,487,049	6,487,049	6,511,269	7,130,510	7,150,000
Departmental Income	4,450,255	4,450,255	4,461,120	4,541,355	4,432,905
Intergovernmental Charges	756,930	756,930	729,964	765,073	784,667
Use of Money & Property	52,951	52,951	1,289,459	480,900	403,660
Licenses and Permits	487,000	487,000	525,805	538,000	727,000
Fines and Forfeitures	60,500	60,500	68,022	85,500	115,500
Sale of Property and Compensation For Loss	5,500	5,500	131,944	5,250	1,000
Miscellaneous	112,000	112,000	215,269	123,000	120,000
Interfund Revenues	-	-	48,127	45,960	48,240
Revenues from State Sources	4,963,087	5,329,383	5,284,152	5,145,561	5,668,045
Revenues from Federal Sources	23,981,500 <sup>(1)</sup>	23,981,500 <sup>(1)</sup>	4,671,544	16,715,589 <sup>(1)</sup>	9,872,157 <sup>(1)</sup>
<b>Total Revenues</b>	<b>\$ 57,764,915</b>	<b>\$ 58,131,211</b>	<b>\$ 40,725,606</b>	<b>\$ 52,549,502</b>	<b>\$ 47,256,678</b>
<b>EXPENDITURES</b>					
General Government Support	\$ 3,670,468	\$ 3,396,654	\$ 3,355,847	\$ 4,298,168	\$ 4,176,773
Public Safety	14,086,151	13,916,232	13,874,244	14,536,210	16,479,518
Transportation	1,691,089	1,414,371	1,310,324	2,151,362	2,287,902
Economic Assistance and Opportunity	159,106	525,902	525,901	195,840	186,911
Culture and Recreation	834,756	921,723	921,723	995,810	1,007,506
Home and Community Services	25,048,142 <sup>(1)</sup>	24,776,524 <sup>(1)</sup>	5,347,019	17,692,092 <sup>(1)</sup>	10,463,366 <sup>(1)</sup>
Employee Benefits	10,251,340	11,211,086	11,211,086	10,311,049	12,034,236
Debt Service	191,864	360,589	360,589	143,864	189,900
<b>Total Expenditures</b>	<b>\$ 55,932,916</b>	<b>\$ 56,523,081</b>	<b>\$ 36,906,733</b>	<b>\$ 50,324,395</b>	<b>\$ 46,826,112</b>
Excess of Revenues Over (Under) Expenditures	\$ 1,831,999	\$ 1,608,130	\$ 3,818,873	\$ 2,225,107	\$ 430,566
Other Financing Sources (Uses):					
Operating Transfers In	57,860	339,947	337,885	-	-
Operating Transfers Out	(3,839,858)	(3,848,077)	(3,848,077)	(4,125,107)	(3,930,566)
<b>Total Other Financing</b>	<b>(3,781,998)</b>	<b>(3,508,130)</b>	<b>(3,510,192)</b>	<b>(4,125,107)</b>	<b>(3,930,566)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Dedicated Deficit Reduction)	(1,949,999)	(1,900,000)	308,681	(1,900,000)	(3,500,000)
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	1,949,999	1,900,000	7,148,558	1,900,000	3,500,000
Prior Period Adjustment	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,457,239</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>(1)</sup> Includes American Rescue Plan Act funds.

Changes In Fund Equity (Major Funds)

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>SPECIAL REVENUE/GRANT FUND</u>					
Fund Equity - Beginning of Year	\$ 154,657	\$ 178,947	\$ (72,723)	\$ (56,334)	\$ (336,289)
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	1,368,878	1,419,957	2,181,079	2,854,073	2,516,528
Expenditures & Other Uses	1,344,588	1,671,627	2,164,690	3,134,028	2,480,457
Fund Equity - End of Year	\$ 178,947	\$ (72,723)	\$ (56,334)	\$ (336,289)	\$ (300,218)
<u>PERMANENT FUND</u>					
Fund Equity - Beginning of Year	\$ 2,509,430	\$ 2,792,841	\$ 3,043,373	\$ 3,348,260	\$ 2,896,295
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	379,818	336,175	386,134	(364,329)	150,035
Expenditures & Other Uses	96,407	85,643	81,247	87,636	114,127
Fund Equity - End of Year	\$ 2,792,841	\$ 3,043,373	\$ 3,348,260	\$ 2,896,295	\$ 2,932,203
<u>CAPITAL PROJECTS FUND</u>					
Fund Equity - Beginning of Year	\$ (3,827,246)	\$ 524,414	\$ 3,608,755	\$ 5,642,088	\$ 6,214,517
Prior Period Adjustments (net)	1,293,860	-	-	-	-
Revenues & Other Sources	15,121,566	13,678,992	14,708,354	9,141,257	7,166,407
Expenditures & Other Uses	12,063,766	10,594,651	12,675,021	8,568,828	5,159,590
Fund Equity - End of Year	\$ 524,414	\$ 3,608,755	\$ 5,642,088	\$ 6,214,517	\$ 8,221,334

SPECIAL GRANT FUND

Balance Sheets

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSETS</b>					
Cash and Cash Equivalents - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	22,472	993,519	296,553	1,020,288	855,689
Temporary Investments - Restricted	-	-	900,314	605,318	256,000
Due from Other Funds	89,482	-	10,887	18,113	547
Due from State and Federal Governments	2,219,614	4,429,954	4,238,538	2,823,501	4,967,473
Due from Other Governments	-	-	-	(25,571)	(6,660)
Other Receivables, Net	507,284	344,157	717,909	1,127,439	1,400,639
Loans Receivable, Net	3,070,553	2,845,634	2,638,964	3,041,564	2,930,708
<b>TOTAL ASSETS</b>	<b>\$ 5,909,405</b>	<b>\$ 8,613,264</b>	<b>\$ 8,803,165</b>	<b>\$ 8,610,652</b>	<b>\$ 10,404,396</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable	\$ 49,127	\$ 226,071	\$ 149,378	\$ 256,732	\$ 290,145
Accrued Liabilities	-	-	-	-	86,097
Due to Other Funds	-	65	149,489	286,763	104,143
Unavailable Revenue	5,681,331	5,614,217	5,921,668	8,403,446	7,728,558
<b>TOTAL LIABILITIES</b>	<b>5,730,458</b>	<b>5,840,353</b>	<b>6,220,535</b>	<b>8,946,941</b>	<b>8,208,943</b>
<b>UNAVAILABLE REVENUE</b>	<b>-</b>	<b>2,845,634</b>	<b>2,638,964</b>	<b>-</b>	<b>2,495,671</b>
<b>FUND EQUITY</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	178,947	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(72,723)	(56,334)	(336,289)	(300,158)
<b>TOTAL FUND EQUITY</b>	<b>178,947</b>	<b>(72,723)</b>	<b>(56,334)</b>	<b>(336,289)</b>	<b>(300,158)</b>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<b>\$ 5,909,405</b>	<b>\$ 8,613,264</b>	<b>\$ 8,803,165</b>	<b>\$ 8,610,652</b>	<b>\$ 10,404,456</b>

SPECIAL GRANT FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>REVENUES</b>					
Departmental Revenue	\$ 47,757	\$ 58,938	\$ 68,655	\$ 118,874	\$ 78,268
Use of Money & Property	-	-	833	12,491	53,547
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	(1,218)	-	-	6,874	46,267
Revenues from State & Federal Sources	<u>1,322,339</u>	<u>1,361,019</u>	<u>2,111,591</u>	<u>2,715,834</u>	<u>2,338,446</u>
Total Revenues	<u>\$ 1,368,878</u>	<u>\$ 1,419,957</u>	<u>\$ 2,181,079</u>	<u>\$ 2,854,073</u>	<u>\$ 2,516,528</u>
<b>EXPENDITURES</b>					
General Government Support	\$ -	\$ -	\$ -	\$ 410,033	\$ 548,484
Economic Assistance and Opportunity	-	-	148,724	-	-
Home and Community Services	946,883	1,671,627	2,015,966	2,723,995	1,931,973
Debt Service	<u>397,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,344,588</u>	<u>\$ 1,671,627</u>	<u>\$ 2,164,690</u>	<u>\$ 3,134,028</u>	<u>\$ 2,480,457</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 24,290</u>	<u>\$ (251,670)</u>	<u>\$ 16,389</u>	<u>\$ (279,955)</u>	<u>\$ 36,071</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>24,290</u>	<u>(251,670)</u>	<u>16,389</u>	<u>(279,955)</u>	<u>36,071</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	154,657	178,947	(72,723)	(56,334)	(336,289)
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 178,947</u>	<u>\$ (72,723)</u>	<u>\$ (56,334)</u>	<u>\$ (336,289)</u>	<u>\$ (300,218)</u>

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Principal	Interest	Total
2025	\$ 3,285,700	\$ 1,078,794	\$ 4,364,494
2026	2,772,800	913,770	3,686,570
2027	2,744,600	806,622	3,551,222
2028	2,221,000	704,410	2,925,410
2029	2,271,000	615,101	2,886,101
2030	1,775,000	534,916	2,309,916
2031	1,840,000	462,563	2,302,563
2032	1,670,000	391,431	2,061,431
2033	1,735,000	320,981	2,055,981
2034	1,295,000	247,631	1,542,631
2035	1,355,000	196,631	1,551,631
2036	980,000	143,231	1,123,231
2037	1,000,000	109,031	1,109,031
2038	775,000	74,031	849,031
2039	800,000	48,231	848,231
2040	260,000	21,200	281,200
2041	270,000	10,800	280,800
<b>TOTALS</b>	<b>\$ 27,050,100</b>	<b>\$ 6,679,375</b>	<b>\$ 33,729,475</b>

Note: Table above includes long term debt of the City for purposes of the Elmira Water Board.

**CITY OF ELMIRA  
CHEMUNG COUNTY, NEW YORK**

**2024 ACTUAL CASH FLOW (GENERAL FUND)**

	2024												12 MONTH TOTAL
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Beginning Balance:</b>	\$ 8,801,327	\$ 8,927,488	\$ 6,560,146	\$ 7,505,827	\$ 7,769,685	\$ 10,848,144	\$ 9,358,499	\$ 7,478,687	\$ 6,770,366	\$ 9,938,741	\$ 8,678,936	\$ 8,400,010	
<b>Revenues:</b>													
Real Prop. Tax Revenues	\$ 47,067	\$ -	\$ 1,797,592	\$ 1,596,731	\$ 5,274,356	\$ 239,272	\$ 298,600	\$ 535,574	\$ 4,026,935	\$ 264,994	\$ 436,119	\$ 171,397	\$ 14,688,634
Sales Tax Revenues	592,024	536,176	459,461	452,602	457,972	473,729	522,246	494,748	467,873	569,537	459,361	633,931	6,119,660
State Revenues	-	-	54,316	-	104,130	42,263	76,481	598,585	382,086	47,941	91,691	4,303,911	5,701,404
Federal Revenues	-	-	23,630	26,438	-	-	23,207	-	-	-	28,596	-	101,871
TAN Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	134,510	1,469,552	957,497	714,057	1,334,605	604,402	467,827	866,652	1,247,155	469,028	322,304	348,434	8,936,023
<b>Total Revenues</b>	<b>\$ 1,160,099</b>	<b>\$ 2,005,728</b>	<b>\$ 3,292,497</b>	<b>\$ 2,789,827</b>	<b>\$ 7,171,063</b>	<b>\$ 1,359,665</b>	<b>\$ 1,388,361</b>	<b>\$ 2,495,558</b>	<b>\$ 6,124,049</b>	<b>\$ 1,351,500</b>	<b>\$ 1,338,072</b>	<b>\$ 5,457,672</b>	<b>\$ 35,547,593</b>
<b>Total Available Cash</b>	<b>\$ 9,961,426</b>	<b>\$ 10,933,216</b>	<b>\$ 9,852,643</b>	<b>\$ 10,295,654</b>	<b>\$ 14,940,748</b>	<b>\$ 12,207,809</b>	<b>\$ 10,746,859</b>	<b>\$ 9,974,246</b>	<b>\$ 12,894,415</b>	<b>\$ 11,290,242</b>	<b>\$ 10,017,007</b>	<b>\$ 13,857,682</b>	
<b>Disbursements:</b>													
General Gov. Support	\$ 152,563	\$ 754,131	\$ 262,682	\$ 244,735	\$ 61,123	\$ 341,897	257,666	\$ 262,803	\$ 354,011	\$ 270,548	\$ 179,934	\$ 527,235	\$ 3,669,326
Public Safety	456,799	1,465,094	1,174,511	1,106,079	1,030,997	1,329,743	1,126,450	1,665,022	1,177,938	1,029,037	1,105,473	2,213,223	14,880,365
Transportation	17,560	257,168	93,237	182,146	307,106	143,661	142,231	86,183	144,721	133,058	38,131	301,040	1,846,242
Econ. Assist. & Opp.	-	(100)	-	-	95,807	(11,733)	-	10,500	72,340	16,250	-	31,850	214,913
Employee Benefits	109,779	1,765,582	524,161	540,844	550,794	528,613	548,948	580,885	599,241	965,743	98,651	4,179,516	10,992,757
Culture & Recreation	24,380	33,540	41,966	90,018	91,154	117,904	115,758	119,803	131,457	93,077	39,224	66,949	965,230
Home & Community	43,392	80,286	78,137	78,822	85,179	117,256	87,523	91,526	85,164	89,772	93,653	128,241	1,058,950
Debt Service - Bonds	229,466	17,369	172,123	283,325	1,870,445	281,969	989,597	387,157	390,801	13,822	61,933	26,969	4,724,974
Debt Service - BAN	-	-	-	-	-	-	-	-	-	-	-	-	-
TAN Payoff	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 1,033,938</b>	<b>\$ 4,373,070</b>	<b>\$ 2,346,816</b>	<b>\$ 2,525,968</b>	<b>\$ 4,092,604</b>	<b>\$ 2,849,311</b>	<b>\$ 3,268,172</b>	<b>\$ 3,203,880</b>	<b>\$ 2,955,673</b>	<b>\$ 2,611,306</b>	<b>\$ 1,616,997</b>	<b>\$ 7,475,022</b>	<b>\$ 38,352,757</b>
<b>Ending Balance:</b>	<b>\$ 8,927,488</b>	<b>\$ 6,560,146</b>	<b>\$ 7,505,827</b>	<b>\$ 7,769,685</b>	<b>\$ 10,848,144</b>	<b>\$ 9,358,499</b>	<b>\$ 7,478,687</b>	<b>\$ 6,770,366</b>	<b>\$ 9,938,741</b>	<b>\$ 8,678,936</b>	<b>\$ 8,400,010</b>	<b>\$ 6,382,661</b>	

**CITY OF ELMIRA  
CHEMUNG COUNTY, NEW YORK**

**2025 ESTIMATED CASH FLOW (GENERAL FUND)  
(INCLUDES TAN PROCEEDS)**

	2025												12 MONTH TOTAL
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Beginning Balance:</b>	\$ 6,382,661	\$ 4,664,738	\$ 962,957	\$ 372,485	\$ 3,699,413	\$ 8,558,352	\$ 7,137,470	\$ 5,226,929	\$ 5,200,717	\$ 8,868,440	\$ 7,942,016	\$ 9,694,299	
<b>Revenues:</b>													
Real Prop. Tax Revenues	\$ 54,918	\$ -	\$ 160,527	\$ 3,458,072	\$ 6,154,140	\$ 279,183	\$ 348,407	\$ 624,909	\$ 4,698,644	\$ 309,196	\$ 508,865	\$ 199,986	\$ 16,796,847
Sales Tax Revenues	599,796	510,000	465,493	458,543	497,200	479,948	529,102	501,243	474,016	577,014	465,392	642,253	6,200,000
State Revenues	-	-	13,999	40,000	103,521	42,016	76,034	595,083	379,850	47,660	91,155	4,278,728	5,668,045
Federal Revenues	-	-	24,560	239,359	-	-	122,330	-	-	-	150,737	-	536,986
TAN Proceeds	-	-	4,000,000	-	-	-	-	-	-	-	-	-	4,000,000
Other Revenues	178,790	53,659	272,700	1,890,693	1,773,950	803,368	621,833	1,551,949	1,657,712	623,430	2,328,405	463,137	12,219,627
<b>Total Revenues</b>	<b>\$ 833,504</b>	<b>\$ 563,659</b>	<b>\$ 4,937,279</b>	<b>\$ 6,086,667</b>	<b>\$ 8,528,810</b>	<b>\$ 1,604,515</b>	<b>\$ 1,697,706</b>	<b>\$ 3,273,185</b>	<b>\$ 7,210,222</b>	<b>\$ 1,557,301</b>	<b>\$ 3,544,554</b>	<b>\$ 5,584,105</b>	<b>\$ 45,421,506</b>
<b>Total Available Cash</b>	<b>\$ 7,216,165</b>	<b>\$ 5,228,397</b>	<b>\$ 5,900,236</b>	<b>\$ 6,459,152</b>	<b>\$ 12,228,224</b>	<b>\$ 10,162,866</b>	<b>\$ 8,835,176</b>	<b>\$ 8,500,114</b>	<b>\$ 12,410,939</b>	<b>\$ 10,425,741</b>	<b>\$ 11,486,570</b>	<b>\$ 15,278,403</b>	
<b>Disbursements:</b>													
General Gov. Support	\$ 593,077	\$ 350,000	\$ 882,480	\$ 278,580	\$ 69,576	\$ 314,179	\$ 293,300	\$ 299,147	\$ 402,968	\$ 287,963	\$ 204,818	\$ 200,685	\$ 4,176,773
Public Safety	605,990	1,622,544	1,450,732	1,124,846	1,141,795	1,472,647	1,247,507	1,843,957	1,304,528	1,139,625	1,224,275	2,301,072	16,479,518
Transportation	21,761	318,689	115,541	225,720	380,572	178,028	176,256	106,800	179,341	164,888	47,252	373,055	2,287,902
Econ. Assist. & Opp.	-	-	-	-	83,323	(10,204)	-	9,132	62,827	14,133	-	27,700	186,911
Employee Benefits	1,033,281	1,836,110	2,536,377	656,631	668,712	641,782	636,470	705,246	727,531	672,496	119,770	1,799,828	12,034,236
Culture & Recreation	25,448	35,009	163,804	93,961	95,147	63,069	60,828	125,050	137,215	97,153	40,942	69,881	1,007,506
Home & Community	46,229	85,536	129,247	83,976	90,748	124,923	93,246	97,511	90,733	95,642	99,777	90,627	1,128,195
Debt Service - Bonds	225,641	17,553	249,570	296,025	1,139,998	240,972	1,100,641	112,553	637,355	11,825	55,437	32,897	4,120,466
Debt Service - BAN	-	-	-	-	-	-	-	-	-	-	-	-	-
TAN Payoff	-	-	-	-	-	-	-	-	-	-	-	4,125,000	4,125,000
<b>Total Disbursements</b>	<b>\$ 2,551,427</b>	<b>\$ 4,265,440</b>	<b>\$ 5,527,751</b>	<b>\$ 2,759,739</b>	<b>\$ 3,669,872</b>	<b>\$ 3,025,396</b>	<b>\$ 3,608,247</b>	<b>\$ 3,299,396</b>	<b>\$ 3,542,499</b>	<b>\$ 2,483,725</b>	<b>\$ 1,792,271</b>	<b>\$ 9,020,744</b>	<b>\$ 45,546,507</b>
<b>Ending Balance:</b>	<b>\$ 4,664,738</b>	<b>\$ 962,957</b>	<b>\$ 372,485</b>	<b>\$ 3,699,413</b>	<b>\$ 8,558,352</b>	<b>\$ 7,137,470</b>	<b>\$ 5,226,929</b>	<b>\$ 5,200,717</b>	<b>\$ 8,868,440</b>	<b>\$ 7,942,016</b>	<b>\$ 9,694,299</b>	<b>\$ 6,257,660</b>	

Note: The City anticipates its largest deficit to occur on March 31, 2025 in the amount of \$3,627,515

### MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the City has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the City
- (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the City determines that any such other event is material with respect to the Notes; but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The City reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The City acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the City’s obligations under its continuing disclosure undertaking and any failure by the City to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in a manner consistent with the Rule.

A "Continuing Disclosure Undertaking" to this effect shall be provided to the purchaser(s) at closing.

**FORM OF BOND COUNSEL’S OPINION**

March 7, 2025

City of Elmira,  
Chemung County,  
State of New York

Re: City of Elmira, Chemung County, New York  
\$4,000,000 Tax Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$4,000,000 Tax Anticipation Notes, 2025 (the “Obligations”), of the City of Elmira, Chemung County, New York (the “Obligor”), dated March 7, 2025, numbered 1, of the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_% per annum, payable at maturity, and maturing December 15, 2025.

The Obligations shall not be subject to redemption prior to maturity.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon subject to applicable statutory limitations; provided however that, the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State of the Federal government affecting the enforcement of creditors’ rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

**CITY OF ELMIRA  
CHEMUNG COUNTY, NEW YORK**

**AUDITED FINANCIAL STATEMENTS**

**For the Fiscal Year Ended December 31, 2023**

**Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.**

**The City's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The City's independent auditor also has not performed any procedures relating to this Official Statement.**

# **CITY OF ELMIRA**

**Elmira, New York**

## **FINANCIAL REPORT**

**For the Year Ended  
December 31, 2023**



# ***CITY OF ELMIRA***

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# ***CITY OF ELMIRA***

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## INDEPENDENT AUDITORS' REPORT

Mayor and Members of the City Council  
City of Elmira  
Elmira, New York

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Elmira (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Elmira, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Elmira Water Board, which represent 100% of the assets, net position, and revenues of the aggregately discretely presented component unit as of December 31, 2023, and the respective changes in financial position, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Elmira Water Board, are based solely on the report of the other auditors.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Elmira Water Board were not audited in accordance with *Government Auditing Standards*.

**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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 City'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 City'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; Budgetary Comparison Schedules; Schedule of Changes in the City's Total OPEB Liability and Related Ratios; Schedule of City's Contributions - NYSLRS Pension Plan; Schedule of the City's Proportionate Share of the Net Pension (Asset) / Liability - NYSLRS Pension Plan; and the notes to the required supplementary information 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 GAAS, 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 City’s basic financial statements. The Schedule of Expenditures of Federal Awards (SEFA), 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 GAAS. In our opinion, the SEFA 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 June 28, 2024, on our consideration of the City’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 28, 2024

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

Management of the City of Elmira, New York provides this Management's Discussion and Analysis of the City's financial performance for the fiscal year ended December 31, 2023. These management comments provide the benefit of perspective on certain developments that, while they occurred after December 31, 2023, provide relevant context for the 2023 financials. We encourage readers to consider this information in conjunction with the City's financial statements, which begin on page 6.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 6-8) provide information about the City as a whole and present a longer-term view of the City's finances. Governmental Fund financial statements start on page 9. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the City's operations in greater detail than the Government-wide financial statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains other information in the form of a budgetary comparison schedule for the General Fund and information regarding the City's pension and other postemployment benefits (OPEB) plans and, therefore, are not presented individually in the basic financial statements.

### **Reporting the City as a Whole**

Our analysis of the City as a whole begins on page 6, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the question of whether the City, as a whole, is better off or worse off as a result of the year's activities. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the City's net position and changes in it. One can think of the City's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

# *CITY OF ELMIRA*

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

In the Statement of Net Position and the Statement of Activities, all of the City's activities, which are governmental in nature, are reported in one column, including public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general administration. Property and sales taxes, and state and federal grants, finance most of these activities. The City also includes the following legally separate entities in its report as blended Elmira Urban Renewal Agency (EURA) and discretely presented Elmira Water Board (EWB) component units:

- The EURA was established to carry out municipal urban renewal programs generally funded by federal grants. Separate audited financial statements are issued for EURA, which can be obtained by contacting the City Chamberlain's office at 317 East Church Street, Elmira, New York 14901.
- The EWB is a local water company which provides water to various communities in the County of Chemung. Separate audited financial statements are issued for EWB, which can be obtained by writing to The Elmira Water Board, General Manager, 261 West Water Street, Elmira, New York 14901.

### **Reporting the City's Most Significant Funds**

#### **Fund Financial Statements**

Analysis of the City's Major Funds begins on page 9. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the City as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The City's two kinds of funds - Governmental and Proprietary - use different accounting approaches.

- **Governmental Funds:** All of the City's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between Governmental Activities (reported in the Government-wide financial statements) and Governmental Funds is explained in a reconciliation following the Governmental Fund financial statements.
- **Proprietary Funds:** When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

- The City as Trustee:** The City is the trustee, or fiduciary, for other assets that are held on behalf of others. All of the City's fiduciary activities are reported in a separate Statement of Net Position - Fiduciary Fund and the Statement of Changes in Fiduciary Net Position on pages 16 and 17, respectively. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose.

### **THE CITY AS A WHOLE**

The City's *combined* net position for the fiscal year ended December 31, 2023 totaled \$7,768,743. Of the City's net position, \$40,964,303 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$2,999,870 represents resources subject to external restrictions on how they may be used and is reported as restricted net position.

Our analysis below focuses on net position (*Figure 1*), and changes in net position (*Figure 2*), of the Town's Governmental Activities.

***Figure 1  
Net Position***

<b><i>Governmental Activities</i></b>	<b><i>2023</i></b>	<b><i>2022</i></b>	<b><i>Dollar Change</i></b>
<i>Current Assets</i>	\$ 43,633,696	\$ 42,122,939	\$ 1,510,757
<i>Noncurrent Assets</i>	10,104,759	11,281,814	(1,177,055)
<i>Capital Assets</i>	67,748,143	65,389,073	2,359,070
<b><i>Total Assets</i></b>	<b>121,486,598</b>	<b>118,793,826</b>	<b>2,692,772</b>
<b><i>Total Deferred Outflows of Resources</i></b>	<b>22,675,928</b>	<b>24,229,949</b>	<b>(1,554,021)</b>
<i>Current Liabilities</i>	18,586,569	14,665,496	3,921,073
<i>Noncurrent Liabilities</i>	106,498,928	99,567,357	6,931,571
<b><i>Total Liabilities</i></b>	<b>125,085,497</b>	<b>114,232,853</b>	<b>10,852,644</b>
<b><i>Total Deferred Inflows of Resources</i></b>	<b>11,308,286</b>	<b>21,280,308</b>	<b>(9,972,022)</b>
<i>Net Investment in Capital Assets</i>	40,964,303	39,379,855	1,584,448
<i>Restricted</i>	2,999,870	3,451,835	(451,965)
<i>Unrestricted (Deficit)</i>	(36,195,430)	(35,321,076)	(874,354)
<b><i>Total Net Position</i></b>	<b>\$ 7,768,743</b>	<b>\$ 7,510,614</b>	<b>\$ 258,129</b>

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

Significant changes from the prior year are as follows:

- Current assets and noncurrent assets experienced fluctuations due to the investment of funds held by the City and their classification based on maturity dates. Additionally, there was an increase due to the timing of receivables, with more receivables due at year end for various state and federal grants, as well as other miscellaneous sources. This is offset by the decrease caused by the New York State Local Retirement Systems (NYSLRS) net pension asset in the prior year switching to a net pension liability in the current year.
- Capital outlay exceeded depreciation expense and net book value of disposals, resulting in increases in both capital assets, net, and net investment in capital assets. The capital outlay consists of purchases of vehicles, equipment, and various infrastructure projects, which includes street reconstruction, bridge rehabilitation, and other miscellaneous capital projects.
- Changes in total deferred inflows and outflows of resources are related to changes in actuarial assumptions for the NYSLRS pension plan, as well as the City's other postemployment benefits plan and differences between expected and actual earnings on the NYSLRS pension plan.
- Current liabilities increased mainly due to the timing of payments for accounts payable in the General Fund.
- Noncurrent liabilities increased due to the increase in net pension liability offset by the decrease in other postemployment benefits, which is related to changes in actuarial assumptions, as well as the increase in bonds payable due to the issuance of new debt.

# **CITY OF ELMIRA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

Figure 2 demonstrates the operations of Governmental Activities.

**Figure 2  
Changes in Net Position**

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
<b>REVENUES</b>			
<b>Program Revenues</b>			
<i>Charges for Services</i>	\$ 5,673,735	\$ 6,031,730	\$ (357,995)
<i>Operating Grants and Contributions</i>	7,575,650	7,887,425	(311,775)
<i>Capital Grants and Contributions</i>	3,341,815	5,568,264	(2,226,449)
<b>General Revenues</b>			
<i>Property Taxes and Tax Items</i>	16,788,931	16,702,287	86,644
<i>Nonproperty Taxes and Tax Items</i>	6,511,269	6,468,936	42,333
<i>State Sources</i>	4,741,573	4,851,510	(109,937)
<i>Other</i>	2,259,221	529,434	1,729,787
<b>Total Revenues</b>	<b>\$ 46,892,194</b>	<b>\$ 48,039,586</b>	<b>\$ (1,147,392)</b>
<b>PROGRAM EXPENSES</b>			
<i>General Governmental Support</i>	\$ 4,953,055	\$ 4,200,822	\$ 752,233
<i>Public Safety</i>	26,029,534	20,844,575	5,184,959
<i>Transportation</i>	4,705,285	4,618,849	86,436
<i>Economic Assistance and Opportunity</i>	1,104,460	903,887	200,573
<i>Culture and Recreation</i>	1,740,755	1,317,160	423,595
<i>Home and Community Services</i>	7,245,765	8,934,884	(1,689,119)
<i>Interest on Long-Term Debt</i>	855,211	752,321	102,890
<b>Total Expenses</b>	<b>\$ 46,634,065</b>	<b>\$ 41,572,498</b>	<b>\$ 5,061,567</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 258,129</b>	<b>\$ 6,467,088</b>	<b>\$ (6,208,959)</b>

Significant changes from prior year are as follows:

- Capital Grants and Contributions decreased due to a reduction in expenses associated with reimbursable grants as projects were completed.
- Other General Revenues increased due to interest earned as interest rates increased significantly during the year.
- General Governmental Support and Public Safety increased due to the amount of employee benefits allocated to public safety.
- Home and Community decreased due to community grant programs funded by the SLFRF funds winding down in the current year and the decrease due to the allocation of current fixed asset additions allocated to public safety, offset by the increase in employee benefits allocated to public safety.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The cost of all Governmental Activities this year was \$46,634,065. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City property and payments in lieu of taxes or through sales tax, state aid, and other nonproperty tax related revenue was \$30,042,865 because some of the cost was paid by those who directly benefited from the programs, \$5,673,735, or by other government and organizations that subsidized certain programs with grants and contributions, \$10,917,465. Overall, the City's governmental program revenues, including fees for services and grants, were \$16,591,200. The City paid for the remaining "public benefit" portion of Governmental Activities with general revenues of \$30,300,994. The total cost less revenues generated by activities, or net cost, for each of the City's programs is presented below. The net cost shows the financial burden placed on the City's taxpayers by each of these functions.

### THE CITY'S FUNDS

Figure 3 shows the changes in fund balances for the year for the City's Governmental Funds. Total fund balances increased by 14.94%.

**Figure 3**  
**Governmental Funds**  
**Fund Balances (Deficit) at Year Ended**

<b>Governmental Funds</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
<b>Major Funds</b>			
<i>General Fund</i>	\$ 7,457,239	\$ 7,148,558	\$ 308,681
<i>Special Grant Fund</i>	(300,218)	(336,289)	36,071
<i>Capital Projects Fund</i>	8,221,334	6,214,517	2,006,817
<b>Non-Major Governmental Funds</b>	<b>3,154,316</b>	<b>3,096,586</b>	<b>57,730</b>
<b>Totals</b>	<b>\$ 18,532,671</b>	<b>\$ 16,123,372</b>	<b>\$ 2,409,299</b>

Significant changes from prior year are as follows:

- The General Fund balance increased primarily due to an increase in interest revenue, offset by the increase in health insurance expense.
- Capital Projects Fund balance increased primarily due to the decrease in capital outlay expense as capital projects were completed in the prior year, offset by the decrease in federal grants related to the completed projects. The increase was also attributable to the issuance of long-term debt.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### General Fund Budgetary Highlights

Over the course of the year, the City budget was amended. These budget amendments consisted of budget transfers between functions to cover shortfalls in some functions. In addition, the budget was increased for transfers to other funds.

Total revenues and other financing sources were \$17,175,579 less than budgeted, despite greater than anticipated sales tax and state sources. Total expenditures and other financing uses were \$19,616,348 under budget.

*Figure 4  
Budgetary Comparison Schedule - General Fund  
December 31, 2023*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Variance Fav.(Unfav.)</i>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
<i>Real Property Taxes and Tax Items</i>	\$ 16,408,143	\$ 16,408,143	\$ 16,788,931	\$ 380,788
<i>Nonproperty Tax Items</i>	6,487,049	6,487,049	6,511,269	24,220
<i>Departmental Income</i>	4,450,255	4,450,255	4,461,120	10,865
<i>State Sources</i>	4,963,087	5,329,383	5,284,152	(45,231)
<i>Other Revenues and Financing Sources</i>	25,514,241	25,564,240	8,018,019	(17,546,221)
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 57,822,775</b>	<b>\$ 58,239,070</b>	<b>\$ 41,063,491</b>	<b>\$ (17,175,579)</b>
<b>Appropriated Fund Balance</b>	<b>\$ 1,949,999</b>	<b>\$ 2,132,088</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
<i>Public Safety</i>	\$ 14,086,151	\$ 13,916,232	\$ 13,874,244	\$ 41,988
<i>Employee Benefits</i>	10,251,340	11,211,086	11,211,086	-
<i>Other Expenditures and Other Financing Uses</i>	35,435,283	35,243,840	15,669,480	19,574,360
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 59,772,774</b>	<b>\$ 60,371,158</b>	<b>\$ 40,754,810</b>	<b>\$ 19,616,348</b>
<b>Excess of Revenues and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 308,681</b>	<b>\$ 2,440,769</b>

Significant changes from prior year are as follows:

- Revenue and Expenditures were less than budgeted primarily due to budgeting for the remaining State and Local Fiscal Recovery Fund projects and spending less than anticipated.
- Expenditures were a favorable variance as less monies were spent on Public Health and Economic Assistance and Opportunity than originally budgeted for, due to less State and Federal funding was awarded in the current year compared to the prior year.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At December 31, 2023, the City had invested in a broad range of capital assets totaling \$147,178,032; offset by accumulated depreciation and amortization of \$79,429,889. *Figure 5* shows the changes in the City's capital assets.

*Figure 5  
Capital Assets, Net of Accumulated Depreciation and Amortization*

<i>Governmental Activities</i>	<i>2023</i>	<i>2022</i>	<i>Dollar Change</i>
<i>Land and Construction in Progress</i>	\$ 734,637	\$ 734,637	\$ -
<i>Buildings</i>	1,039,008	1,141,452	(102,444)
<i>Improvements</i>	2,839,722	2,757,168	82,554
<i>Machinery and Equipment</i>	4,447,315	3,123,065	1,324,250
<i>Infrastructure</i>	58,131,675	57,310,409	821,266
<i>Intangible Lease Assets</i>	375,962	322,342	53,620
<i>Subscription Assets</i>	179,824	-	179,824
<b><i>Totals</i></b>	<b>\$ 67,748,143</b>	<b>\$ 65,389,073</b>	<b>\$ 2,179,246</b>

#### Debt Administration

The City's short and long-term debt obligations increased by 1.50% at December 31, 2023, as shown in *Figure 6*. Of this amount, \$25,223,220 was subject to the constitutional debt limit and represented 51.3% of the City's statutory debt limit.

*Figure 6  
Major Outstanding Debt at Year Ended December 31,*

<i>Governmental Activities</i>	<i>2023</i>	<i>2022</i>	<i>Dollar Change</i>
<i>Serial Bonds</i>	\$ 26,364,881	\$ 25,800,799	\$ 564,082
<i>Lease Liabilities</i>	364,106	326,835	(37,271)
<i>Subscription Liabilities</i>	133,646	-	(133,646)
<b><i>Totals</i></b>	<b>\$ 26,862,633</b>	<b>\$ 26,127,634</b>	<b>\$ 393,165</b>

More detailed information about the City's outstanding debt is presented in the notes to the financial statements.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### FUTURE FACTORS

The City of Elmira's recovery continued in 2023. The City continued development funded by the over \$14 Million in state funds awarded to the City from 2016-2023 for development projects through Cities Rise, ADLN, RESTORE NY and other grants, and the \$28.3 Million federal grant awarded to the City under the nation's \$1.9 Trillion American Rescue Plan Act to address the negative impact of the Coronavirus pandemic. The effects of this revitalization are visible, and City residents have taken advantage of grants to do property improvement projects including kitchens, bathrooms, roofs, floors, siding, fences, and porches. This has buoyed property values and made properties in the City more attractive to potential new buyers.

Under the American Rescue Plan (ARP) Act, all funds must be obligated by December 31, 2024, and spent by December 31, 2026. Projects approved to date include (in millions):

• lost revenue replacement	\$10.00
• grants for rehabilitation of local residential & commercial property (880+ properties)	\$5.00
• grants for tourism-oriented purposes	\$4.62
• water / stormwater infrastructure improvement	\$4.50
• premium pay for essential employees	\$1.40
• removal of dead or dying trees and tree limbs	\$0.80
• public safety staffing	\$0.52
• broadband infrastructure	\$0.50
• grants to mitigate COVID-19 impact on businesses & non-profits (100+ properties)	\$0.47
• administration of ARP grant	<u>\$0.46</u>
	TOTAL <u>\$28.27</u>

The City has also benefited tremendously from Empire State Development RESTORE NY grants. These include:

- **Round 6:** The City of Elmira was fortunate to receive \$1,000,000 to help with the revitalization of a vacant high school, Booth School, located on the corner of Davis and West Second Street in the Near West Side Historic District. The developers will leverage historic tax credits along with the State grant to develop and rehabilitate the property. The plans call for the development of 52 units of market rate housing and 5,000 - 8,000 square feet of commercial space for small retail space. The project is anticipated to be completed in Fall 2025.
- **Round 7:** The City of Elmira was awarded \$750,000 for Reynolds Way Apartment complex. Reynolds Way Apartments is a scattered site, 41-unit multi-family affordable housing development located in the Downtown Revitalization Initiative (DRI) target area. Arbor Housing and Development (Arbor) is the project's sponsor, owner, developer, and property manager. The development includes four separate historic buildings which will be converted to thirty (30) one-bedroom, six (6) 2-bedroom and five (5) studio units utilizing Historic Tax Credits. The project includes a special need set aside of thirteen (13) units for survivors of domestic violence with supportive services and rent subsidy provided by the Empire State Supportive Housing Initiative (ESSHI). Renovations on the first of the four buildings involved in this project were completed in Spring 2024, and the move-in process commenced in April 2024. All four buildings are expected to be fully operational by the end of May 2024.

# *CITY OF ELMIRA*

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

- **Round 8:** A Round 8 Restore NY grant cycle was announced in March 2024, and the City applied for this funding by the deadline in May 2024. The City has focused this application on supporting growing the tourism market. The grant offsets the costs of developing a 17-room boutique style hotel in downtown Elmira.

Taking a closer look at a different angle of housing, the Salvation Army's Homeless Housing Assistance Program (HHAP) is in the process of planning and securing additional capital to build a new 58-unit supportive and transitional housing facility on Patch Park in the City of Elmira. The program involves providing services to low-income families, 46 Empire State Supportive Housing Initiative (ESSHI) units to house 29 substance abuse disorders, 13 adults and/or young adults re-entering into the community from incarceration, and 4 homeless young adults between the ages of 18-25. The project will also include 12 units designated for general affordable housing. The project will help address the homeless crisis that has occurred since the COVID-19 pandemic.

On the entertainment front, the old Trinity Episcopal Church building on North Main Street was acquired in September 2023 and has been reborn in January 2024 as Empire Sports Complex. This facility offers sports including basketball leagues, cornhole leagues, volleyball, pickleball, whiffleball, lacrosse, field turf, batting cages, and concessions. Empire Sports Complex also hosts events such as birthday and graduation parties, weddings and corporate events. The facility caters to those aged 6 years and above.

Nearby, Capriotti Properties is in the process of redeveloping 1 - 8 Clemens Square to include Centertown Social Club and short-term vacation accommodations in the heart of downtown Elmira. This 13,000 square foot property will consist of Centertown Social Club, which will occupy approximately 60% of the available indoor space, an uncovered rooftop area of 1,500 sq. ft., and a covered rooftop area of 1,000 sq. ft. Planned activities for this property include dining, entertainment viewing, indoor gaming (for example, golf simulators, pool, darts, along with an interactive board game area with large screen DVD capability). The property is located a short walk from the Clemens Center Performing Arts and First Arena Sports Complex locations, positioning it in a desirable location for pre- and post-event dining and entertainment. Funding for this project will be a combination of private financing and grants. The project is anticipated to be completed by Fall 2025.

As of late 2023, the First Arena Sports Complex in the heart of the downtown area came under the management of the IDA. Under this management, for the 2023-2024 season, the Elmira River Sharks Hockey team called First Arena home. For the 2024-2025 hockey season, the Elmira Aviators of the North America Hockey League will play at First Arena. The arena is also functioning as an active entertainment venue with concerts and other events.

In addition, we are pleased that the dynamic contributions of the Community Development department continue to help our residents to thrive. In 2020, the City received \$1.3 million dollars for a three-year grant from the HUD Office of Lead Hazard Reduction and Healthy Homes. After successful allocation and utilization of the 2020 program funds, the City was awarded an additional \$1.5 Million from the Office of Lead Hazard Reduction and Healthy Homes. The performance period is January 2023 – June 2026. The program is operated in partnership with the Chemung County Health Department and has helped the City to address causes of lead paint poisoning. The Lead Hazard Reduction and Healthy Homes program provides funding for construction rehabilitation costs to address lead paint hazards on residential properties within the City of Elmira.

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

Also, in March 2020, the City of Elmira was awarded \$1 million dollars from the New York State Attorney General's Office under the Anti-Displacement Learning Network (ADLN) to develop and implement strategies that address the cause and triggers of housing displacement in Elmira. The grant funded outreach and education on housing including tenants' rights and fair housing laws. Similarly, two social workers were funded for three years at a local nonprofit organization (the Economic Opportunity Program); the social workers helped the at-risk and homeless populations on housing challenges. Grant funding also supported the development of a housing rehabilitation fund, and \$10,000 grants were provided to landlords for rehabilitation of rental properties. This work continued throughout 2023. An estimated total of 50 rental units will be rehabilitated under this program.

We are very appreciative of all the businesses and grant-funded projects that are contributing to the ongoing revitalization of the City, to the benefit of our tax roll and our financials.

With 2023's financial performance, the City's General Fund balance has increased to \$7,457,239 consisting of restricted fund balance of \$96,846, assigned fund balance of \$2,488,904, nonspendable fund balance of \$124,970, and unassigned fund balance of \$4,746,519. In addition, our bond ratings have been upgraded by Standard and Poor's (S&P) Global Ratings to A- with a Positive Outlook. This stronger financial rating has facilitated improved borrowing costs.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Elmira's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units, or need any additional financial information, contact the City Chamberlain's office, at 317 East Church Street, Elmira, New York 14901.

# CITY OF ELMIRA

## STATEMENT OF NET POSITION DECEMBER 31, 2023

	<b>Governmental Activities and Primary Government</b>	<b>Component Unit Elmira Water Board</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents, Unrestricted	\$ 8,302,879	\$ 6,665,747
Cash and Cash Equivalents, Restricted	9,235,698	1,260,943
Investments, Unrestricted	606,037	-
Investments, Restricted	13,318,620	-
Due From State and Federal Governments	5,602,860	-
Due From Other Governments	3,560,928	-
Other Receivables, Net	1,910,243	1,455,364
Loans and Mortgages Receivable, Current Portion	915,005	-
Lease Receivable, Current Portion	56,456	-
Prepaid Expenses	124,970	277,034
Inventory, Net	-	1,566,565
<b>Total Current Assets</b>	<b>43,633,696</b>	<b>11,225,653</b>
<b>Noncurrent Assets</b>		
Restricted Cash and Cash Equivalents	3,482,765	-
Investments, Unrestricted	1,218,000	-
Investments, Restricted	2,932,203	-
Loans and Mortgages Receivable, Long-Term Portion	2,015,703	-
Lease Receivable, Long-Term Portion	456,088	-
Capital Assets, Non-Depreciable	734,637	510,227
Other Capital Assets, Net	67,013,506	33,071,543
<b>Total Noncurrent Assets</b>	<b>77,852,902</b>	<b>33,581,770</b>
<b>Total Assets</b>	<b>121,486,598</b>	<b>44,807,423</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Defeased Debt	78,793	3,160
Other Postemployment Benefits	7,082,384	158,817
Pensions	15,514,751	2,084,770
<b>Total Deferred Outflows of Resources</b>	<b>22,675,928</b>	<b>2,246,747</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## STATEMENT OF NET POSITION (CONTINUED) DECEMBER 31, 2023

	<b>Governmental Activities and Primary Government</b>	<b>Component Unit Elmira Water Board</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 3,356,206	\$ 161,251
Accrued Liabilities	3,267,020	97,432
Unearned Revenue	8,077,035	-
Interest Payable	331,818	13,312
Current Portion of Long-Term Liabilities:		
Pension Obligations	51,244	-
Bonds Payable	3,271,072	443,120
Lease Liabilities	145,150	-
Subscription Liabilities	64,401	-
Workers' Compensation Liability	22,623	-
Compensated Absences	-	335,757
<b>Total Current Liabilities</b>	<b>18,586,569</b>	<b>1,050,872</b>
<b>Noncurrent Liabilities</b>		
Other Postemployment Benefits Liability	42,915,201	1,867,312
Bonds Payable	23,093,809	1,104,014
Lease Liabilities	218,956	-
Subscription Liabilities	69,245	-
Pension Obligations	698,053	-
Workers' Compensation Liability	366,167	-
Net Pension Liability	19,295,436	1,987,400
Unearned Revenue	17,090,261	-
Compensated Absences	2,751,800	415,280
<b>Total Noncurrent Liabilities</b>	<b>106,498,928</b>	<b>5,374,006</b>
<b>Total Liabilities</b>	<b>125,085,497</b>	<b>6,424,878</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	1,462,176	552,710
Other Postemployment Benefits	9,344,435	234,470
Leases	501,675	-
<b>Total Deferred Inflows of Resources</b>	<b>11,308,286</b>	<b>787,180</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	40,964,303	32,034,636
Restricted	2,999,870	285,529
Unrestricted (Deficit)	(36,195,430)	7,521,947
<b>Total Net Position</b>	<b>\$ 7,768,743</b>	<b>\$ 39,842,112</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Component Unit Elmira Water Board	
	Expenses	Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
<b>Governmental Activities and Primary Government</b>						
General Governmental Support	\$ 4,953,055	\$ 645,592	\$ -	\$ -	\$ (4,307,463)	\$ -
Public Safety	26,029,534	1,727,404	171,806	-	(24,130,324)	-
Transportation	4,705,285	279,548	143,493	3,216,815	(1,065,429)	-
Economic Assistance and Opportunity	1,104,460	-	348,763	-	(755,697)	-
Culture and Recreation	1,740,755	16,741	-	-	(1,724,014)	-
Home and Community Services	7,245,765	3,004,450	6,911,588	125,000	2,795,273	-
Interest on Debt	855,211	-	-	-	(855,211)	-
<b>Total Governmental Activities</b>	<b>\$ 46,634,065</b>	<b>\$ 5,673,735</b>	<b>\$ 7,575,650</b>	<b>\$ 3,341,815</b>	<b>(30,042,865)</b>	<b>-</b>
<b>Component Unit</b>						
Elmira Water Board	\$ 8,831,950	\$ 9,301,698	\$ -	\$ -	-	469,748
<b>Total Component Units</b>	<b>\$ 8,831,950</b>	<b>\$ 9,301,698</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>469,748</b>
<b>GENERAL REVENUES</b>						
Real Property Taxes					16,107,789	-
Real Property Tax Items					681,142	-
Nonproperty Tax Items					5,981,876	-
Utilities Gross Receipts Tax					237,610	-
Franchise Taxes					291,783	-
Use of Money and Property					1,770,881	87,691
Sale of Property and Compensation for Loss					225,741	-
Miscellaneous Local Sources					262,599	-
(Loss) on Disposal of Assets					-	(51,871)
State Sources					4,741,573	-
<b>Total General Revenues</b>					<b>30,300,994</b>	<b>35,820</b>
Change in Net Position					258,129	505,568
Net Position - Beginning of Year					7,510,614	39,336,544
<b>Net Position - End of Year</b>					<b>\$ 7,768,743</b>	<b>\$ 39,842,112</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Fund Special Grant Fund	Capital Projects Fund		
<b>ASSETS</b>					
Cash and Cash Equivalents - Unrestricted	\$ 7,959,476	\$ -	\$ -	\$ 343,163	\$ 8,302,639
Cash and Cash Equivalents - Restricted	3,482,765	855,689	8,379,994	15	12,718,463
Temporary Investments - Unrestricted	1,363,697	-	-	43,664	1,407,361
Temporary Investments - Restricted	13,062,620	256,000	-	2,932,203	16,250,823
Due From Other Funds	491,298	547	129,141	50,204	671,190
Due From State and Federal Governments	52,206	4,967,473	583,181	-	5,602,860
Due From Other Governments	3,567,588	(6,660)	-	-	3,560,928
Other Receivables, Net	508,604	1,400,639	-	1,000	1,910,243
Loans Receivable, Net	-	2,930,708	-	-	2,930,708
Prepaid Expenses	124,970	-	-	-	124,970
Leases Receivable	512,544	-	-	-	512,544
<b>Total Assets</b>	<b>\$ 31,125,768</b>	<b>\$ 10,404,396</b>	<b>\$ 9,092,316</b>	<b>\$ 3,370,249</b>	<b>\$ 53,992,729</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,389,079	\$ 290,145	\$ 673,151	\$ 3,831	\$ 3,356,206
Accrued Liabilities	3,171,966	86,097	-	8,957	3,267,020
Due to Other Funds	369,216	104,143	197,831	-	671,190
Unearned Revenue	17,236,593	7,728,558	-	202,145	25,167,296
<b>Total Liabilities</b>	<b>23,166,854</b>	<b>8,208,943</b>	<b>870,982</b>	<b>214,933</b>	<b>32,461,712</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	2,495,671	-	1,000	2,496,671
Leases	501,675	-	-	-	501,675
<b>Total Deferred Inflows of Resources</b>	<b>501,675</b>	<b>2,495,671</b>	<b>-</b>	<b>1,000</b>	<b>2,998,346</b>
<b>FUND BALANCES</b>					
Nonspendable	124,970	-	-	2,932,203	3,057,173
Restricted	96,846	-	8,221,334	50,204	8,368,384
Assigned	2,488,904	-	-	171,909	2,660,813
Unassigned	4,746,519	(300,218)	-	-	4,446,301
<b>Total Fund Balances</b>	<b>7,457,239</b>	<b>(300,218)</b>	<b>8,221,334</b>	<b>3,154,316</b>	<b>18,532,671</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 31,125,768</b>	<b>\$ 10,404,396</b>	<b>\$ 9,092,316</b>	<b>\$ 3,370,249</b>	<b>\$ 53,992,729</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

**Total Governmental Fund Balances** **\$ 18,532,671**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Land and Construction in Progress	\$ 734,637	
Depreciable Capital Assets	145,601,379	
Accumulated Depreciation	(79,143,659)	
Intangible Lease Assets	609,928	
Accumulated Amortization Intangible Lease Assets	(233,966)	
Subscription Assets	232,088	
Accumulated Amortization Subscription Assets	<u>(52,264)</u>	67,748,143

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 2,496,671

Internal Service Funds are used by management to charge the costs of certain activities, such as health insurance. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position. 416,916

The City's proportionate share of the local retirement systems' collective net pension (asset)/liability is not reported in the funds.  
Net Pension Liability - Proportionate Share (19,295,436)

Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.

Deferred Charges on Defeased Debt	\$ 78,793	
Deferred Outflows of Resources - Pensions	15,514,751	
Deferred Outflows of Resources - OPEB	7,082,384	
Deferred Inflows of Resources - Pensions	(1,462,176)	
Deferred Inflows of Resources - OPEB	<u>(9,344,435)</u>	11,869,317

Certain accrued expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.

Other Postemployment Benefits Liability	\$ (42,915,201)	
Accrued Interest on Long-Term Debt	(331,818)	
Pension Obligations	(749,297)	
Workers' Compensation Liability	(388,790)	
Compensated Absences	<u>(2,751,800)</u>	(47,136,906)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (26,364,881)	
Lease Liabilities	(364,106)	
Subscription Liabilities	<u>(133,646)</u>	(26,862,633)

**Net Position of Governmental Activities** **\$ 7,768,743**

*See Notes to Financial Statements*

# CITY OF ELMIRA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund		
<b>REVENUES</b>					
Real Property Taxes	\$ 15,687,446	\$ -	\$ -	\$ -	\$ 15,687,446
Real Property Tax Items	1,101,485	-	-	-	1,101,485
Nonproperty Tax Items	6,511,269	-	-	-	6,511,269
Departmental Income	4,461,120	78,268	-	154,858	4,694,246
Intergovernmental Charges	729,964	-	-	-	729,964
Use of Money and Property	1,289,459	53,547	305,389	107,936	1,756,331
Licenses and Permits	525,805	-	-	-	525,805
Fines and Forfeitures	68,022	-	-	-	68,022
Sale of Property and Compensation for Loss	131,944	-	-	-	131,944
Miscellaneous Local Sources	215,269	46,267	(53,378)	54,441	262,599
Interfund Revenues	48,127	-	125,000	-	173,127
State Sources	5,284,152	494,937	2,306,789	-	8,085,878
Federal Sources	4,671,544	1,843,509	933,107	-	7,448,160
<b>Total Revenues</b>	<b>40,725,606</b>	<b>2,516,528</b>	<b>3,616,907</b>	<b>317,235</b>	<b>47,176,276</b>
<b>EXPENDITURES</b>					
General Governmental Support	3,355,847	-	-	-	3,355,847
Public Safety	13,874,244	-	-	-	13,874,244
Transportation	1,310,324	-	-	-	1,310,324
Economic Assistance and Opportunity	525,901	548,484	-	-	1,074,385
Culture and Recreation	921,723	-	-	-	921,723
Home and Community Services	5,347,019	1,931,973	-	287,331	7,566,323
Employee Benefits	11,211,086	-	-	17,445	11,228,531
Debt Service:					
Principal	267,765	-	-	2,861,082	3,128,847
Interest	92,824	-	-	926,777	1,019,601
Capital Outlay	-	-	5,344,229	-	5,344,229
<b>Total Expenditures</b>	<b>36,906,733</b>	<b>2,480,457</b>	<b>5,344,229</b>	<b>4,092,635</b>	<b>48,824,054</b>
Excess of Revenues (Expenditures)	3,818,873	36,071	(1,727,322)	(3,775,400)	(1,647,778)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	105,797	-	105,797	3,836,130	4,047,724
Interfund Transfers (Out)	(3,848,077)	-	(105,797)	(93,850)	(4,047,724)
Premium on Obligations	-	-	-	90,850	90,850
Proceeds of Obligations	232,088	-	3,734,139	-	3,966,227
<b>Total Other Financing Sources (Uses)</b>	<b>(3,510,192)</b>	<b>-</b>	<b>3,734,139</b>	<b>3,833,130</b>	<b>4,057,077</b>
Net Change in Fund Balances	308,681	36,071	2,006,817	57,730	2,409,299
Fund Balances (Deficit), Beginning of Year	7,148,558	(336,289)	6,214,517	3,096,586	16,123,372
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 7,457,239</b>	<b>\$ (300,218)</b>	<b>\$ 8,221,334</b>	<b>\$ 3,154,316</b>	<b>\$ 18,532,671</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

**Net Change in Fund Balances - Total Governmental Funds** **\$ 2,409,299**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization expenses and net book value of disposed assets in the current period.

Capital Outlay	\$ 7,084,864	
Depreciation Expense	(4,481,450)	
Amortization Expense	(183,283)	
Net Book Value of Disposed Assets	(61,061)	2,359,070

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue. (237,571)

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which the issuance of new debt exceeded repayment of debt principal.

Premium of Obligations	\$ (90,850)	
Proceeds of Obligations	(3,549,500)	
Principal Payments	2,861,082	
Proceeds of Subscription Assets	(232,088)	
Subscription Payments	98,442	
Proceeds of Lease Assets	(184,639)	
Lease Payments	147,368	(950,185)

The issuance of refunding bonds results in a difference between the old and new debt. This deferred amount is amortized annually.

Amortization of Deferred Charges on Defeased Debt (35,131)

Premiums and discounts received on obligations are recorded as other financing sources and uses in the Governmental Funds, when received, but are deferred and amortized in the Governmental Activities. This is receipt of new premiums and the amortization of premiums received in previous years.

Amortization of Bond Premiums 215,186

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.

Accrued Interest Payable	\$ (15,665)	
Compensated Absences	(40,949)	
Pension Obligations and Workers' Compensation Liability	73,199	16,585

Changes in the City's proportionate share of net pension (assets)/liabilities and changes in other postemployment benefits have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the City's deferred outflows and deferred inflows of resources related to pensions and other postemployment benefits do not affect current financial resources and are, also, not reported in the Governmental Funds.

Pensions	\$ (2,752,175)	
OPEB	(781,499)	(3,533,674)

Internal Service Funds are used by management to charge the costs of certain activities, such as health insurance.

The net revenue of the Internal Service Fund is reported with Governmental Activities. 14,550

**Change in Net Position of Governmental Activities** **\$ 258,129**

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF PROPRIETARY NET POSITION DECEMBER 31, 2023**

	<u>Self-Insurance Fund</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents - Unrestricted	\$ 240
Temporary Investments - Unrestricted	416,676
<b>Total Current Assets</b>	<u>416,916</u>
<b>Total Assets</b>	<u>416,916</u>
<b>NET POSITION</b>	
Unrestricted	<u>416,916</u>
<b>Total Net Position</b>	<u><u>\$ 416,916</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF PROPRIETARY REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Self-Insurance Fund</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	\$ 14,550
<b>Total Nonoperating Revenues</b>	<u>14,550</u>
Change in Net Position	<u>14,550</u>
Total Net Position, Beginning of Year	<u>402,366</u>
<b>Total Net Position, End of Year</b>	<u><u>\$ 416,916</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Self-Insurance Fund</u>
<b>Cash Flows From Operating Activities</b>	
Payments from (to) Other Funds	<u>\$ 276,068</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>276,068</u>
<b>Cash Flows From Investing Activities</b>	
Interest Income Received	14,550
Purchase of Investments	<u>(290,378)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(275,828)</u>
Net Change Cash and Cash Equivalents	<u>240</u>
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 240</u></u>
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities:	
(Decrease) Increase Due to Other Funds	<u>\$ 276,068</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 276,068</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2023**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	<u>\$ 49,535</u>
<b>Total Assets</b>	<u><u>\$ 49,535</u></u>
<b>LIABILITIES</b>	
Other Liabilities	<u>\$ 49,535</u>
<b>Total Liabilities</b>	<u>49,535</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	<u>-</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 49,535</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF CHANGES IN FIDICIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Fire and Police Deposits	<u>\$ 53,298</u>
<b>Total Additions</b>	<u>53,298</u>
<b>DEDUCTIONS</b>	
Fire Insurance Tax	<u>53,298</u>
<b>Total Deductions</b>	<u>53,298</u>
Excess of Additions (Deductions)	<u>-</u>
Net Position, Beginning of Year	<u>-</u>
<b>Net Position, End of Year</b>	<u><u>\$ -</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies**

The basic financial statements of the City of Elmira (the City) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

#### **Reporting Entity**

The City, which was incorporated in 1906, is governed by the Charter of the City of Elmira, General City Law, other general laws of New York State, and various local laws and ordinances.

The City Council, which is the legislative body responsible for the overall operation of the City, consists of a mayor and council members. The City Manager serves as chief executive officer and the City Chamberlain serves as chief fiscal officer of the City.

The following basic services are provided: police services and law enforcement, fire protection, water facilities and services, street and highway maintenance, recreation facilities and programs, cemetery services, public parking facilities, community development and assistance, and environmental services.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is the City;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement No. 14, as amended, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of entities considered in determining the City's reporting entity.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Excluded from the Reporting Entity**

##### **Elmira City School District**

The Elmira City School District was established pursuant to Education Law to provide basic elementary and secondary education. The City is no longer required to enforce collection of unpaid school district real property taxes through an inter-municipal agreement with the County of Chemung in 1996. The County's Civil Service Commission provides routine civil service employment and personnel functions for the School District. However, a separate elected Board of Education is responsible for overall school operations and finances and the school district is neither financially nor administratively dependent upon the City. Consequently, the School District's financial activity is excluded from the City's reporting entity.

##### **Elmira Housing Authority**

The Elmira Housing Authority was established in 1942 by a special act of the State Legislature to provide public housing within the City. The legislative body governing the authority consists of seven Board members. Two Board members are tenants elected biannually by the qualified tenants of the housing project and five members are appointed by the City Manager, but the City does not exercise substantive authority over the board members. The Authority conducts the elections and provides necessary personnel for inspections. Consequently, the Authority is excluded from the City's reporting entity.

Primary funding sources for the Elmira Housing Authority are state and federal subsidies and tenant rents. The Authority determines and modifies its own budget, sets its own rates, and may issue bonded debt without the City's approval. In addition, the City is not entitled to and cannot otherwise access a majority of the Authority's resources. Consequently, the Authority's financial activity is excluded from the City's reporting entity.

#### **Blended Component Unit**

##### **Elmira Urban Renewal Agency**

The Building and Housing Development (Elmira Urban Renewal Agency) was established in 1966 by special act of the State Legislature to carry out municipal urban renewal programs generally funded by federal grants. In 1974, the Agency was also designated as the Community Development Agency responsible for administering federal community development grants on behalf of the City. The City Council, with the Mayor as Chairman, comprises the Agency's management. The Agency is funded entirely from federal grant money, and the City is ultimately responsible for the proper disposition of grant funds and any debt incurred by the Agency. Separate audited financial statements are issued for the Elmira Urban Renewal Agency, which can be obtained by writing to the Elmira Urban Renewal Agency, at 317 East Church Street, Elmira, New York 14901.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Discretely Presented Component Unit**

##### **Elmira Water Board**

The Elmira Water Board, established by charter provisions, is a local water company which provides water to various communities in the County of Chemung. The executive body of the Elmira Water Board, which manages operations of the Board, consists of five commissioners elected by residents of the City. Revenues are primarily generated from billings to customers for water usage.

The Elmira Water Board is a special-purpose government engaged only in business-type activities. The accounts for this component unit represent activity and balances for the fiscal year ended December 31, 2023. Separate audited financial statements are issued for the Elmira Water Board, which can be obtained by writing to The Elmira Water Board, General Manager, 261 W. Water Street, Elmira, New York 14901.

##### **Basic Financial Statements**

The City's basic financial statements include both Government-Wide (reporting the City as a whole) and Governmental Fund financial statements (reporting the City's Major Funds.) Both the Government-Wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business-Type. The City's general governmental support, education, public safety, transportation, public health, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. The City has no Business-Type Activities.

##### **Government-Wide Financial Statements**

The Government-Wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government and its discretely presented component unit. Government-wide financial statements do not include the activities reported in the Fiduciary Funds. This Government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

In the Government-Wide Statement of Net Position, the Governmental Activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Government-Wide Financial Statements - Continued**

The Statement of Activities reports both the gross and net cost for each of the City's functions or programs. Gross expenses are direct expenses, including depreciation, specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the City.

Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

#### **Governmental Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The City records its transactions in the funds described below.

#### **Governmental Funds**

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position. The following are the City's Governmental Funds:

#### **Major Funds**

- General Fund - Accounts for revenues (i.e., general tax and other from state, federal, and local sources) not required by law or other provision to be accounted for in other funds and which finance the basic governmental functions provided by the City.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Major Funds - Continued**

- Special Revenue Fund - Accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The following Special Revenue Fund is reported as a Major Fund:
  - Special Grant Fund - Comprised of the Community Development Fund and the Economic Development Fund. These are used to account for monies distributed by the federal government and expended pursuant to rules and regulations as set forth by the Department of Housing and Urban Development and other federal agencies.
- Capital Projects Fund - Accounts for capital improvements to the City of Elmira for infrastructure, transportation, and recreational purposes financed primarily by proceeds of obligations, state and federal grants, and transfers from other funds.

#### **Non-Major Funds**

- Debt Service Fund - Accounts for the accumulation of resources for, and the payments of, general long-term debt; including principal, interest, and related costs.
- Permanent Fund - Accounts for assets donated for cemetery maintenance that are permanently restricted. The principal portion of this fund is invested pursuant to §215 of the City Charter and interest and dividend earnings are expended for routine cemetery operations in a Special Revenue Fund.
- Special Revenue Funds - Account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The following Special Revenue Funds are reported as Non-Major Funds:
  - Miscellaneous Special Revenue Fund - Consists of the Woodlawn Cemetery Special Revenue Fund. Accounts for operation of the City's municipally owned cemetery.
  - Police Seizure Fund - Used to account for equitable sharing payments returned to the City from the federal government when the City has joint involvement with the DEA or another federal agency in seizing illegal assets.
  - Elmira Urban Renewal Agency Fund - Used to account for activity of the City's blended component unit.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

**Proprietary Fund** - Accounts for ongoing organizations or activities similar to those found in the private sector. The measurement focus is based on determination of net income, financial position, and changes in financial position. The following Proprietary Fund is utilized:

- Internal Service Fund - Governmental Activities-Type fund accounts for special activities or services provided by one department to other departments or to other governments on a cost-reimbursement basis. Included is the following:
  - Self Insurance Fund - Established by the City of Elmira to account for reserve funding for the retained portion of liability claims and for certain claims and judgments.

**Fiduciary Fund** - Accounts for assets held by the local government in a trustee or custodial capacity. The following is the City's fiduciary fund:

- Custodial Fund - Accounts for money and/or property received and held in the capacity of trustee, custodian, or agent.

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to *when* revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of *what* is measured, such as expenditures or expenses.

- Accrual Basis - The Government-Wide financial statements, Proprietary Fund financial statements, and Fiduciary Fund financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, deferred inflows of resources and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.
- Modified Accrual Basis - Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The City considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Accounting/Measurement Focus - Continued**

All other revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due; and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

#### **Unearned Revenues**

The City reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position and Balance Sheet, unearned revenue arises when resources are received by the City before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the City has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

#### **Deferred Outflows/Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pensions, debt, and postemployment benefits in the Statement of Net Position. The types of deferred outflows of resources related to pensions, long-term debt, and postemployment benefits are described in Notes 7, 9, and 12, respectively.

In addition to liabilities, the Statement of Net Position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. On the Balance Sheet, the City reports unavailable revenue, one type of deferred inflows, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from loans receivable and leases. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The City also reports deferred inflows of resources related to pensions and postemployment benefits which are further described in Note 7 and 12, respectively.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Leases**

The City determines if an arrangement is or contains a lease at inception. The City records assets and lease obligations for leases in which they are the lessee, and lease receivables and deferred inflows of resources for leases in which they are the lessor, which are initially based on the discounted future minimum lease payments over the term of the lease. The City used the rate implicit in the lease agreements. In some cases, the implicit rate is not easily determinable, and the City elects to use its incremental borrowing rate in calculating present value of lease payments. The City will recognize short-term lease expense or revenue for these leases on a straight-line basis over the term of the lease.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position. The City's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized based on the amortization schedules and is included operational expenses. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

#### **Subscription-Based Information Technology Arrangements**

The City has entered into contracts granting the City the right to use vendor-provided information technology for various terms under long-term, non-cancelable subscription agreements, referred to as Subscription-Based Information Technology Agreements (SBITAs). The City records a subscription liability and subscription asset in its financial statements. The subscriptions expire at various dates. The City initially calculates the subscription liability based on the present value of expected payments during the lease term, reducing it as payments are made. The value of the subscription asset is determined similarly, adjusted for payments and implementation costs, and is amortized over the lesser of its useful life or the lease term. Key considerations include discount rate determination, subscription term assessment, and payment evaluation. The City monitors changes that may impact subscription liabilities and adjusts asset and liability values accordingly. Assets are reported alongside long-term capital assets, and liabilities with long-term debt.

#### **Property Taxes**

City real property taxes are levied annually on or before the first meeting of the City Council in the month of January and become a lien on or before the second week of February each year. Taxes are collected in two equal installments, one on May 15, the other on September 15. The County of Chemung reimburses the City for uncollected amounts annually on February 28.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Insurance**

The City assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated.

#### **Compensated Absences**

Pursuant to resolutions of the City Council and contractual agreements, City employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, certain City employees are entitled to payment for accumulated vacation and sick leave, and unused compensatory absences at various rates, subject to certain maximum limitations. Expenditures for these fringe benefits are recorded in Governmental Funds at the time the benefit is paid.

#### **Long-Term Obligations**

In the Government-Wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses/expenditures in the period incurred.

#### **Cash and Cash Equivalents**

For financial statement purposes, including the Statement of Cash Flows for the Proprietary Fund; cash on hand, demand deposits, and all highly liquid investments of three months or less are considered as cash equivalents. City monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies that are designated as official depositories of the City. The City is authorized to use demand accounts and certificates of deposit.

#### **Capital Assets**

All capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), including the right to use assets acquired through financed lease agreements, are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of the asset or materially extend the life of the asset, are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Amortization expense is recorded in line with payments on lease liabilities.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Capital Assets - Continued**

Governmental capital assets having a useful life of greater than two years and purchased or acquired with an original cost of over \$15,000 for machinery and equipment, \$2,500 for office furniture and equipment, \$15,000 for building and land improvements and renovations, and \$25,000 for infrastructure assets are capitalized. The estimated useful lives for governmental capital assets are as follows:

Buildings	15 - 25 Years
Improvements	10 - 25 Years
Machinery and Equipment	4 - 15 Years
Infrastructure	10 - 50 Years

Major outlay for capital assets and improvements are capitalized as projects are constructed. No interest on construction in progress has been capitalized during the current fiscal year.

#### **Other Postemployment Benefits**

In addition to providing pension benefits, the City provides partial health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City's full-time employees may become eligible for health insurance benefits for ten years after retirement at approximately no cost if they reach normal retirement age and have 10 or more continuous years of service for management and 20 years for union members. Police and Fire retirees receive 12 years of health insurance benefits at no cost. Health care benefits and survivors' benefits are provided by the City's self-insurance plan. Charges are based on benefits and administrative costs paid during the year. The City recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

The City follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The City's liability for other postemployment benefits has been recorded in the Statement of Net Position in accordance with that statement. See Note 12 regarding other postemployment benefit liability.

#### **Investments**

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policy. Permissible investments include obligations of the United States Treasury, obligations guaranteed by United States agencies where payment of principal and interest are guaranteed by the United States, repurchase agreements and obligations of New York State or its localities. Investments are stated at fair value and are held by the City's third party custodial banks.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Equity Classifications - Government-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources 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.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **Equity Classifications - Governmental Fund Financial Statements**

The City classifies fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund’s net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the City’s legally adopted reserves are reported here.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements – Continued**

- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The City has not adopted any resolutions to commit fund balance. Currently, fund balance is assigned by the Chamberlain for encumbrances and designations and the City Council, by resolution, approves fund balance appropriations for the following year's budget. The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **Fund Equity**

Reservations of fund balances are created to either satisfy legal restrictions or to plan for future expenditures. A designation of assigned fund balances in Governmental Funds indicates the use of these resources in the subsequent year's budget. Proprietary Fund equity is classified the same as in the Government-wide financial statements. The following reserve funds are utilized by the City:

- Reserve for Debt - Used to accumulate resources for payment of future principal and interest on long-term debt. This reserve is accounted for in the Debt Service Fund.
- Reserve for Other Purposes - Established for various purposes, including police seizure and cemetery maintenance funds, aggregated, and reported in the Miscellaneous Special Revenue Fund, Police Seizure Fund, and Permanent Fund.
- Reserve for Insurance - Used to accumulate funds to pay minor uninsured claims and reported in the General Fund.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

#### **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Proprietary Fund are charged to customers for sales and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Operating and Nonoperating Revenues and Expenses - Elmira Water Board**

Operating revenues of Elmira Water Board consist of user fees. Operating expenses consist of salaries, wages and benefits, contractual services, and depreciation and amortization. Transactions related to capital and financing activities, non-capital financing activities, investing activities and interfund transfers from other funds are components of non-operating income.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the City's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements. Certain assets are classified on the Statement of Net Position as restricted because their use is limited. The proceeds of bond and note sales can only be used for the stated purpose of the borrowing. Property taxes collected for debt service payments are legally restricted for that purpose. Community Development Block Grant Funds must be used only for approved programs. Cemetery Perpetual Care Funds cannot be expended. However, the interest earnings can be spent for cemetery maintenance functions. It is the City's policy to spend the interest earnings each fiscal year.

#### **New Accounting Standards**

The City adopted and implemented the following current Statements of GASB effective for the year ended December 31, 2023:

- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ended December 31, 2023.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending December 31, 2024.

The City will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

### ***Note 2* Stewardship, Compliance, and Accountability**

#### **Deficit Net Position**

At December 31, 2023, the Government-Wide Statement of Net Position had an unrestricted deficit net position of \$36,195,430. This is the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability. The deficit is not expected to be eliminated during the normal course of operations.

#### **Deficit Fund Balance**

At December 31, 2023, the Special Grant Fund had a deficit fund balance of \$300,218. This is expected to be eliminated through the course of normal operations.

### ***Note 3* Cash and Investments**

The City's investment policies are governed by State statutes. In addition, the City has its own written investment policy. Permissible investments include obligations of the United States Treasury, United States Agencies where payment of principal and interest are guaranteed by the United States, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit. Deposits must be fully secured by insurance of the FDIC or by obligations pledged as collateral which must be obligations of the United States and its agencies, or obligations of the state or its municipalities. Collateral must be delivered to the City or a custodial bank with which the City has entered into a written custodial agreement. The agreement outlines the basic responsibilities of the bank for securities pledged to secure time deposits. The custodial agreement provides that the collateral securities are held separate from the assets of the custodial bank; that the custodian takes possession of the securities exclusively for the City; that the securities are free of any claims against the trading bank; and that any claims of the custodian are subordinate to the claims of the local government.

The City's written investment policy requires that repurchase agreements be purchased from banks located within the state and that underlying securities must be obligations of the Federal government. Underlying securities must have a market value of at least 100% of the cost of the repurchase agreement.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 3 Cash and Investments - Continued**

Deposits and investments are valued at cost plus accrued interest.

The primary government's total financial institution (bank) balance, excluding investments, at December 31, 2023 was \$21,929,982.

Total financial institution (bank) balances for the discretely presented component unit at December 31, 2023 were as follows:

<b>Component Unit</b>	<b>Bank Balances</b>	<b>Carrying Value</b>
Elmira Water Board	Unavailable	\$ 7,926,690

Investments are stated at cost plus accrued interest.

The following investments are held by the City:

<b>Investments</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Description</b>
General Fund	\$ 14,426,317	\$ 14,426,317	See Below
Special Grant Fund	256,000	256,000	Certificate of Deposit
Self Insurance Fund	416,676	416,676	Certificate of Deposit
Elmira Urban Renewal Agency Fund	43,664	43,664	Certificate of Deposit
Permanent Fund	2,954,276	2,932,203	See Below
<b>Total</b>	<b>\$ 18,096,933</b>	<b>\$ 18,074,860</b>	

The Woodlawn Cemetery Commission maintains a non-expendable Permanent Fund, which is reported as a Non-Major Fund and a Cemetery Maintenance Fund, which is reported as a Non-Major Special Revenue Fund. These funds are not governed by the City's written investment policy but are invested pursuant to §215 of the City Charter.

The City 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 1 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.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 3 Cash and Investments - Continued**

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

<u>Investments</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level</u>
Cash, Money Market Funds, and Government Obligations	\$ 365,503	\$ 365,503	(1)
Certificates of Deposit	13,117,967	13,084,822	(2)
U.S. Treasury Bills	2,024,690	2,057,835	(1)
Equities	1,089,485	1,140,032	(1)
Mutual Funds	1,499,288	1,426,668	(1)
<b>Total</b>	<b><u>\$ 18,096,933</u></b>	<b><u>\$ 18,074,860</u></b>	

**Restricted Cash and Investments**

**City of Elmira**

Restricted cash and investments include:

<u>Restricted</u>	<u>Cash</u>	<u>Investments</u>
Insurance Reserve	\$ 96,846	\$ -
Coronavirus State and Local Fiscal Recovery Funds	3,385,919	13,062,620
Home and Community	855,704	-
Debt Service	-	-
Capital Projects	8,379,994	-
Cities Rise	-	256,000
Subtotal	12,718,463	13,318,620
Cemetery Maintenance	-	2,932,203
<b>Total</b>	<b><u>\$ 12,718,463</u></b>	<b><u>\$ 16,250,823</u></b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### *Note 3*    **Cash and Investments - Continued**

#### **Elmira Water Board**

Restricted cash represents unspent note proceeds and funds set aside for future capital expenditures, debt service, and retirement or postemployment benefit contributions. Certain restricted cash funds are restricted by grantors or by law through the Water Board's charter. At December 31, 2023 restricted cash totaled \$1,260,943, of which \$285,529 was recorded as net assets restricted for capital improvement on the Statement of Net Position. Restricted cash balances consist of the following at December 31, 2023:

New York State Employee's Retirement Reserve Fund	\$ 357,635
Employee Benefit Reserve Fund	124,893
Capital Reserve Fund	285,528
Debt Service Fund	<u>492,887</u>
<b>Total</b>	<b><u>\$ 1,260,943</u></b>

### *Note 4*    **Property Taxes**

Each year, the County of Chemung pays the City the entire amount of delinquent taxes from the immediately preceding year. An intermunicipal agreement between the City and the County provides payment by February 28 of the subsequent year. Therefore, substantially all tax liens will be collected within the first sixty (60) days of the subsequent year.

### *Note 5*    **Due From State and Federal Government**

Due from state and federal governments at December 31, 2023 are as follows:

Highway Project Reimbursements	\$ 583,181
Community Development Block Grant	1,687,850
Home Investment Partnership Program	2,109,840
LEAD Hazard Grant	1,169,783
Other	<u>52,206</u>
<b>Total</b>	<b><u>\$ 5,602,860</u></b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 6 Capital Assets

A summary of changes in the City's capital assets at December 31, 2023 follows:

<u>Governmental Activities</u>	<u>Balance at December 31, 2022</u>	<u>Additions</u>	<u>Deletions/ Reclassifications</u>	<u>Balance at December 31, 2023</u>
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 734,637	\$ -	\$ -	\$ 734,637
<b>Total Non-Depreciable Capital Assets</b>	<u>734,637</u>	<u>-</u>	<u>-</u>	<u>734,637</u>
<b>Depreciable Capital Assets</b>				
Buildings	14,044,782	-	-	14,044,782
Improvements	4,437,363	275,775	-	4,713,138
Machinery and Equipment	16,190,137	2,125,407	(502,810)	17,812,734
Infrastructure	104,763,770	4,266,955	-	109,030,725
<b>Total Depreciable Capital Assets</b>	<u>139,436,052</u>	<u>6,668,137</u>	<u>(502,810)</u>	<u>145,601,379</u>
Intangible Lease Assets - Equipment	425,289	184,639	-	609,928
Subscription Assets	-	232,088	-	232,088
<b>Total Lease and Subscription Assets</b>	<u>425,289</u>	<u>416,727</u>	<u>-</u>	<u>842,016</u>
<b>Total Historical Cost</b>	<u>140,595,978</u>	<u>7,084,864</u>	<u>(502,810)</u>	<u>147,178,032</u>
<b>(Less) Accumulated Depreciation</b>				
Buildings	(12,903,330)	(102,444)	-	(13,005,774)
Improvements	(1,680,195)	(193,221)	-	(1,873,416)
Machinery and Equipment	(13,067,072)	(740,096)	441,749	(13,365,419)
Infrastructure	(47,453,361)	(3,445,689)	-	(50,899,050)
<b>Total Accumulated Depreciation</b>	<u>(75,103,958)</u>	<u>(4,481,450)</u>	<u>441,749</u>	<u>(79,143,659)</u>
Intangible Lease Assets - Equipment	(102,947)	(131,019)	-	(233,966)
Subscription Assets	-	(52,264)	-	(52,264)
<b>Total Accumulated Amortization</b>	<u>(102,947)</u>	<u>(183,283)</u>	<u>-</u>	<u>(286,230)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 65,389,073</u>	<u>\$ 2,420,131</u>	<u>\$ (61,061)</u>	<u>\$ 67,748,143</u>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 6 Capital Assets - Continued**

Depreciation and amortization expense was charged to functions as follows:

**Governmental Activities**

General Governmental Support	\$ 124,795
Public Safety	592,162
Transportation	3,328,808
Economic Assistance and Opportunity	331,955
Culture and Recreation	109,766
Home and Community Services	177,247
	177,247

<b>Total</b>	<b><u>\$ 4,664,733</u></b>
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A summary of changes in the Elmira Water Board's capital assets follows:

Type	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 510,227	\$ -	\$ -	\$ 510,227
Construction in Progress	34,581	333,414	(367,995)	-
<b>Total Non-Depreciable Capital Assets</b>	544,808	333,414	(367,995)	510,227
<b>Depreciable Capital Assets</b>				
Source of Supply	4,351,845	169,849	-	4,521,694
Power and Pumping	4,171,644	51,314	-	4,222,958
Purification and Treatment	16,132,839	37,427	(52,124)	16,118,142
Distribution	37,176,320	878,146	(336,118)	37,718,348
Other	4,548,922	256,618	(266,931)	4,538,609
<b>Total Depreciable Capital Assets</b>	66,381,570	1,393,354	(655,173)	67,119,751
(Less) Accumulated Depreciation	(33,341,356)	(1,256,827)	549,975	(34,048,208)
<b>Elmira Water Board Capital Assets, Net</b>	<b>\$ 33,585,022</b>	<b>\$ 469,941</b>	<b>\$(473,193)</b>	<b>\$ 33,581,770</b>

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 7* Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems)**

#### **Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS)**

The City participates in the New York State and Local Employees' Retirement System which include the New York State and Local Employees' Retirement System plan (ERS) and the New York State Local Police and Fire Retirement System plan (PFRS). These plans are cost-sharing multiple-employer defined benefit pension plans (System). The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### **Summary of Significant Accounting Policies**

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

**Contributions**

The City participates in New York State's Employer's Contribution Stabilization Program (Program), which allows it to amortize a portion of the actuarially required contribution. Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the program and were as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
ERS	\$ 499,249	\$ 394,419	\$ 472,095
PFRS	2,797,312	2,920,250	2,666,188
ERS - EWB	354,445	300,112	412,660

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

At December 31, 2023, the City reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for each of the System plans. The net pension (asset)/liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The City's proportionate share of the net pension (asset)/liability was based on a projection of the City's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the City by the Systems.

	<b>ERS</b>	<b>PFRS</b>
Actuarial Valuation Date	4/1/2022	4/1/2022
Net Pension (Asset)/Liability	\$ 21,444,032,790	\$5,510,471,849
City's Proportionate Share of the		
Plan's Total Net Pension (Asset)/Liability	2,874,487	16,420,949
City's Share of the Net Pension (Asset)/Liability	0.0134046%	0.2979953%
Elmira Water Board's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	1,987,400	-
Elmira Water Board's Share of the Net Pension (Asset)/Liability	0.0092678%	-

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

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

For the year ended December 31, 2023, the City recognized pension expense of \$1,039,353 for ERS and \$4,971,687 for PFRS in the Government-Wide financial statements. The Elmira Water Board recognized pension expense of \$720,260 for ERS.

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

	<u>City - ERS</u>	<u>City - PFRS</u>	<u>EWB - ERS</u>
<b>Deferred Outflows of Resources</b>			
Differences Between Expected and			
Actual Experience	\$ 306,155	\$ 1,604,982	\$ 211,674
Changes in Assumptions	1,396,037	8,001,886	965,209
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	-	29,030	-
Changes in Proportion and Differences			
Between the City's Contributions			
and Proportionate Share of Contributions	752,898	656,969	553,442
City's Contributions Subsequent to			
the Measurement Date	368,098	2,398,696	354,445
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,823,188</b>	<b>\$ 12,691,563</b>	<b>\$ 2,084,770</b>
<b>Deferred Inflows of Resources</b>			
Differences Between Expected and			
Actual Experience	\$ 80,726	\$ -	\$ 55,814
Changes in Assumptions	15,429	-	10,667
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	16,887	-	11,676
Changes in Proportion and Differences			
Between the City's Contributions			
and Proportionate Share of Contributions	642,680	706,454	474,553
<b>Total Deferred Inflows of Resources</b>	<b>\$ 755,722</b>	<b>\$ 706,454</b>	<b>\$ 552,710</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

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

City contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>City - ERS</u>	<u>City - PFRS</u>	<u>EWB - ERS</u>
2024	\$ 404,882	\$1,726,723	\$ 280,822
2025	(119,607)	(428,944)	(83,647)
2026	611,455	4,860,850	424,327
2027	802,637	3,051,625	556,113
2028	-	376,159	-
Thereafter	-	-	-

**Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2023	March 31, 2023
Actuarial Valuation Date	April 1, 2022	April 1, 2022
Investment Rate of Return	5.9%	5.9%
Salary Increases	4.4%	6.2%
Cost of Living Adjustments	1.5%	1.5%
Inflation Rate	2.9%	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on 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, 2016 - March 31, 2020.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### *Note 7* Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued

#### Actuarial Assumptions - Continued

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense 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 each target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS and PFRS</u>
Measurement Date	March 31, 2023
<b>Asset Type</b>	
Domestic Equities	4.3%
International Equities	6.9%
Private Equities	7.5%
Real Estate	4.6%
Opportunistic Portfolio/ARC Portfolio	5.4%
Credit	5.4%
Real Assets	5.8%
Fixed Income	1.5%

#### Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes contributions from plan members will be made at the current contribution rates and 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.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

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

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
EWB Proportionate Share of the Net Pension (Asset)/Liability	\$ 4,802,693	\$ 1,987,400	\$ (365,105)
City's Proportionate Share of the Net Pension (Asset)/Liability	6,946,402	2,874,487	(528,072)
PFRS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City's Proportionate Share of the Net Pension (Asset)/Liability	\$34,230,236	\$ 16,420,949	\$ 1,673,789

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension (asset)/liability of the employers as of the respective valuation dates were as follows:

	Dollars in Thousands	
	ERS	PFRS
Measurement Date	March 31, 2023	March 31, 2023
Employers' Total Pension Liability	\$232,627,259	\$ 43,835,333
Plan Net Position	(211,183,223)	(38,324,863)
<b>Employers' Net Pension (Asset)/Liability</b>	<b>\$ 21,444,036</b>	<b>\$ 5,510,470</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%	87.4%

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

**Payables to the Pension Plan**

Employer contributions are paid annually based on the Systems' fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2023 represent the projected employer contribution for the period of April 1, 2023 through December 31, 2023 based on estimated wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2023 amounted to \$-0- for ERS and \$2,398,696 for PFRS, which is reported within accrued liabilities.

**Current Year Activity**

The following is a summary of current year activity:

<u>City - ERS</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
Net Pension (Asset)	\$ (845,633)	\$ 845,633	\$ -
Net Pension Liability	-	2,874,487	2,874,487
Deferred Outflows of Resources	(2,609,079)	(214,109)	(2,823,188)
Deferred Inflows of Resources	3,532,601	(2,776,879)	755,722
<b>Total</b>	<b>\$ 77,889</b>	<b>\$ 729,132</b>	<b>\$ 807,021</b>

<u>PFRS</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
Net Pension Liability	\$ 1,421,075	\$ 14,999,874	\$ 16,420,949
Deferred Outflows of Resources	(11,656,036)	(1,035,527)	(12,691,563)
Deferred Inflows of Resources	12,647,758	(11,941,304)	706,454
<b>Total</b>	<b>\$ 2,412,797</b>	<b>\$ 2,023,043</b>	<b>\$ 4,435,840</b>

<u>EWB - ERS</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
Net Pension (Asset)	\$ (701,341)	\$ 701,341	\$ -
Net Pension Liability	-	1,987,400	1,987,400
Deferred Outflows of Resources	(2,140,109)	55,339	(2,084,770)
Deferred Inflows of Resources	2,973,717	(2,421,007)	552,710
<b>Total</b>	<b>\$ 132,267</b>	<b>\$ 323,073</b>	<b>\$ 455,340</b>

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 8* Short Term Debt**

Liabilities for revenue anticipation notes (RANs) and tax anticipation notes (TANs) are generally accounted for in the General Fund and are issued to provide working capital. Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund and are issued to fund capital improvements. Principal payments on BANs must be made annually.

The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. State law requires BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided stipulated annual reductions of principal are made. The City did not issue or redeem any RANs, TANs, or BANs during the year.

### ***Note 9* Long Term Debt**

#### **Constitutional Debt Limit**

At December 31, 2023, the total outstanding indebtedness of the City, including the Elmira Water Board, aggregated to \$27,035,385. Of this amount, \$25,223,220 was subject to the City's constitutional debt limit, and represented approximately 51.3% of its debt limit.

#### **Serial Bonds**

The City borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

#### **Other Long Term Liabilities**

In addition to the above long term debt, the local government had the following noncurrent liabilities:

- Compensated absences represent the value of earned and unused portion of the liability for compensated absences. The liability is liquidated in the General, Special Grant, and Miscellaneous Special Revenue Funds.
- Pension obligations represent the supplemental retirement payment for employees under General Municipal Law §207a: \$749,297; the amortization of the annual retirement system obligation is liquidated in the General Fund.
- Workers' compensation liability represents the City's share of the Public Entity Trust of New York deficit. The amortization of the liability is for 20 years at 3%. This liability is liquidated in the General Fund.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 9 Long Term Debt - Continued

#### Changes in Long Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

	Payable at December 31, 2022	Additions	Deletions	Payable at December 31, 2023	Amount Due Within One Year
Bonds	\$ 24,534,802	\$ 3,549,500	\$ (2,861,082)	\$ 25,223,220	\$ 3,086,380
Unamortized Premium	1,265,997	90,850	(215,186)	1,141,661	184,692
<b>Total Bonds</b>	<u>25,800,799</u>	<u>3,640,350</u>	<u>(3,076,268)</u>	<u>26,364,881</u>	<u>3,271,072</u>
Pension Obligations - §207	800,541	-	(51,244)	749,297	51,244
Workers' Compensation Liability	410,745	-	(21,955)	388,790	22,623
Lease Liabilities	326,835	184,639	(147,368)	364,106	145,150
Subscription Liabilities	-	232,088	(98,442)	133,646	64,401
Compensated Absences	2,710,851	40,949	-	2,751,800	-
<b>Total</b>	<u>\$ 30,049,771</u>	<u>\$ 4,098,026</u>	<u>\$ (3,395,277)</u>	<u>\$ 30,752,520</u>	<u>\$ 3,554,490</u>

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Deferred Charges on Defeased Debt	\$ (113,924)	\$ -	\$ 35,131	\$ (78,793)	\$ (27,899)
<b>Total</b>	<u>\$ (113,924)</u>	<u>\$ -</u>	<u>\$ 35,131</u>	<u>\$ (78,793)</u>	<u>\$ (27,899)</u>

Additions and deletions to compensated absences are shown net, as it is impracticable to determine these amounts separately.

During August 2021, the City issued \$6,442,000 in general obligation bonds, with interest rates of 2% to 4%. The City issued the bonds to advance refund the \$6,892,700 of outstanding various general obligation bonds with interest rates ranging from 2% to 5%. The City used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited into an irrevocable trust to provide all future debt service on the refunded portion of the bonds. As a result, the \$6,892,700 in bonds is considered defeased and the liability has been removed from the financial statements. The outstanding principal of the defeased bonds was \$4,467,025 at December 31, 2023.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 9 Long Term Debt - Continued

#### Summary of Serial Bonds

As of December 31, 2023, serial bonds, including issue and maturity dates and interest rates, consisted of the following:

Description of Issue	Date of Issue	Final Maturity	Interest Rate	Payable to Maturity
2014 Public Improvement	04/2014	04/2025	1.00-3.00%	\$ 555,000
2014 Advance Refunding Bond	03/2014	08/2027	1.75-5.00%	380,000
2015 Public Improvement	05/2015	05/2025	2.00-2.15%	632,320
2016 Public Improvement	07/2016	07/2031	3.00-3.25%	1,770,000
2019 Public Improvement	07/2019	07/2033	5.00%	3,895,000
2020 Public Improvement	07/2020	07/2035	5.00%	3,835,000
2021 Advance Refunding Bond	08/2021	05/2029	2.00-4.00%	4,136,400
2021 Public Improvement	07/2021	01/2039	2.00-2.125%	3,605,000
2022 Public Improvement	06/2022	09/2037	3.375-4.00%	2,865,000
2023 Public Improvement	05/2023	09/2041	4.00%	3,549,500
Subtotal Bonds				<u>25,223,220</u>
Unamortized Premium				<u>1,141,661</u>
<b>Total Bonds</b>				<b><u><u>\$ 26,364,881</u></u></b>

Interest expense on long term debt is calculated as follows:

Interest Paid	\$ 1,019,601
Amortization of Deferred Charges on Defeased Debt	35,131
(Less) Amortization of Premium	(215,186)
(Less) Interest Accrued in Prior Year	(316,153)
Interest Accrued in Current Year	<u>331,818</u>
<b>Total</b>	<b><u><u>\$ 855,211</u></u></b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 9 Long Term Debt - Continued

#### Future Debt Service Requirements

The following tables summarize the City's future debt service requirements as of December 31, 2023:

Year	Serial Bonds		Total Serial Bonds
	Principal	Interest	
2024	\$ 3,086,380	\$ 986,727	\$ 4,073,107
2025	2,731,240	840,250	3,571,490
2026	2,207,200	746,012	2,953,212
2027	2,145,400	660,854	2,806,254
2028	1,839,000	580,489	2,419,489
2029-2033	8,039,000	1,878,549	9,917,549
2034-2038	4,130,000	556,556	4,686,556
2039-2041	1,045,000	68,830	1,113,830
<b>Total</b>	<b>\$ 25,223,220</b>	<b>\$ 6,318,267</b>	<b>\$ 31,541,487</b>

Year	Pension Obligations - §207		Workers' Compensation		Total Pension and Workers' Compensation Amortization
	Principal	Interest	Principal	Interest	
2024	\$ 51,244	\$ -	\$ 22,623	\$ 11,241	\$ 85,108
2025	51,244	-	23,311	10,553	85,108
2026	51,244	-	24,020	9,844	85,108
2027	51,244	-	24,751	9,113	85,108
2028	51,244	-	25,504	8,360	85,108
2029-2033	212,357	-	139,636	29,684	381,677
2034-2037	185,090	-	128,945	7,665	321,700
2039-2041	95,630	-	-	-	95,630
<b>Total</b>	<b>\$ 749,297</b>	<b>\$ -</b>	<b>\$ 388,790</b>	<b>\$ 86,460</b>	<b>\$ 1,224,547</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 9 Long Term Debt - Continued

#### Elmira Water Board Long Term Debt

Long term debt of the Elmira Water Board is summarized as follows as of December 31, 2023:

	Year Ended December 31, 2023		
	Interest Payments	Principal Payments	Balance at December 31, 2023
Bond payable in annual installments varying from \$105,000 to \$110,000 through November 2024 plus interest varying from 4.795% to 4.865%, payable semi-annually.	\$ 456	\$ 105,000	\$ 110,000
Bond payable in annual installments varying from \$125,000 to \$155,000 through August 2027 plus interest varying from 3.375% to 5.00%, payable semi-annually (Refinanced in 2014).	28,994	125,000	565,000
Bond payable in annual installments varying from \$35,000 through November 2024 plus interest varying from 6.13% to 6.18%, payable semi-annually (Refinanced in 2012).	459	35,000	35,000
Refunded bond payable in annual installments varying from \$96,000 to \$129,000 through May 2029 plus interest varying from 2.00% to 4.00%, payable semi-annually.	28,252	110,800	678,600
Bond payable in annual installments varying from \$52,380 to \$54,560 through May 2025 plus interest varying from 2.00% to 2.13%, payable semi-annually.	2,812	52,380	107,680
Installment purchase debt due in initial interest free payment of \$45,000 and annual installments thereafter of \$29,719 including interest at 4.78% through June 2023. Collateralized by certain	1,356	28,363	-
Total Principal and Interest	<b>\$ 62,329</b>	<b>\$ 456,543</b>	
Total Bonds Payable and Capital Leases			1,496,280
Unamortized Bond Premium			50,854
(Less) Current Portion			(443,120)
<b>Total</b>			<b>\$ 1,104,014</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 9 Long Term Debt - Continued

#### Elmira Water Board Long Term Debt - Continued

A summary of changes in noncurrent liabilities is as follows:

	<b>Balance at December 31, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at December 31, 2023</b>
Bonds	\$ 1,924,460	\$ -	\$ (428,180)	\$ 1,496,280
Bond Premium	69,209	50,854	(69,209)	50,854
Installment Purchase Debt	28,363	-	(28,363)	-
<b>Total</b>	<b>\$ 2,022,032</b>	<b>\$ 50,854</b>	<b>\$ (525,752)</b>	<b>\$ 1,547,134</b>

Long-term debt is presented on the Statement of Net Position as follows:

	<b>2023</b>
Current Portion	\$ 443,120
Noncurrent Portion	1,104,014
<b>Total</b>	<b>\$ 1,547,134</b>

A summary of maturing debt service requirements follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 443,120	\$ 76,168	\$ 519,288
2025	308,760	56,827	365,587
2026	267,800	37,808	305,608
2027	284,600	25,639	310,239
2028	96,000	15,697	111,697
Thereafter	96,000	7,680	103,680
<b>Total</b>	<b>\$ 1,496,280</b>	<b>\$ 219,819</b>	<b>\$ 1,716,099</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 10 Leases

#### Lessee - Lease Liabilities

The City follows GASB Statement No. 87, "Leases" when accounting for leases.

The City enters into lease agreements for certain equipment and vehicles that are considered leases. The City is not party to any material short-term leases, and current leases do not require any variable payments.

Lease liabilities as of December 31, 2023 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2023</u>
Equipment - TCF Equipment, Golf Cart	01/01/2022	10/31/2024	1.40%	\$ 47,231
Equipment - Axon, Taser	08/01/2023	10/31/2024	1.40%	86,136
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	32,462
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	32,462
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	13,598
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	13,598
Vehicle - Ford, Escape	01/01/2022	10/31/2026	1.55%	16,835
Vehicle - Ford, Escape	10/11/2022	10/10/2027	3.96%	27,992
Vehicle - Ford, F-250	01/01/2022	11/30/2025	1.48%	11,728
Vehicle - Ford, Police Interceptor Utility	01/01/2022	04/14/2025	1.40%	17,079
Vehicle - Ford, Police Interceptor Utility	01/01/2022	10/31/2025	1.48%	23,931
Vehicle - Ford, Police Interceptor Utility	10/11/2022	10/10/2026	3.76%	41,054
<b>Total</b>				<b><u>\$ 364,106</u></b>

The following is a summary of the maturity of lease liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 145,150	\$14,038	\$ 159,188
2025	92,451	10,104	102,555
2026	65,471	6,629	72,100
2027	61,034	4,397	65,431
<b>Total</b>	<b><u>\$ 364,106</u></b>	<b><u>\$35,168</u></b>	<b><u>\$ 399,274</u></b>

Interest paid for the current year amount to \$7,545.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 10 Leases

#### Lessor - Lease Receivable

The City enters into lease agreements for space on certain properties that are considered leases. The City is not party to any short-term leases, and current leases do not require any variable payments.

Lease receivables as of December 31, 2023 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2023</u>
Land Lease - Baseball Field	01/01/2022	12/31/2026	1.55%	\$ 49,381
Land Lease - Billboard	01/01/2022	07/31/2033	1.97%	222,134
Land Lease - Billboard	01/01/2022	12/31/2037	2.13%	225,534
Land Lease - La France	02/14/2023	08/14/2025	3.33%	13,599
Land Lease - Casa Trinity	11/11/2023	10/31/2026	3.59%	1,896
<b>Total</b>				<b><u>\$ 512,544</u></b>

The following is a summary of future lease receivables:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 56,456	\$ 9,856	\$ 66,312
2025	56,859	8,602	65,461
2026	53,330	7,527	60,857
2027	35,333	6,684	42,017
2028	42,051	5,916	47,967
2029-2033	194,528	16,305	210,833
2034-2037	73,987	2,429	76,416
<b>Total</b>	<b><u>\$ 512,544</u></b>	<b><u>\$ 57,319</u></b>	<b><u>\$ 569,863</u></b>

The City recognized lease revenue of \$37,220 and interest income of \$10,840 for the year ended December 31, 2023. The total of leases receivable is offset by a deferred inflow of resources totaling \$501,675.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

***Note 11* Subscription-Based Information Technology Arrangements**

During the year ended December 31, 2023, the City implemented GASB Statement No. 96, "Subscription-Based Information Technology Arrangements."

The City enters into contracts for the right to use vendor-provided information technology.

Subscription liabilities as of December 31, 2023 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2023</u>
Axon - Evidence.com Storage	07/01/2023	06/30/2027	3.33%	\$ 59,283
Axon - Taser 7 - Evidence.com	08/01/2023	08/01/2027	3.26%	14,330
CivicPlus - CivicEngage	07/01/2023	06/30/2024	3.52%	9,962
Granicus - Peak Agenda	01/01/2023	01/31/2025	3.19%	6,855
iWorQ Systems, Inc.	01/01/2023	12/31/2025	3.15%	35,297
NextRequest, LLC	10/01/2023	12/31/2024	3.56%	7,919
<b>Total</b>				<b><u>\$ 133,646</u></b>

The following is a summary of future subscription liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 64,401	\$ 2,720	\$ 67,121
2025	41,123	1,350	42,473
2026	24,132	551	24,683
2027	3,990	78	4,068
<b>Total</b>	<b><u>\$ 133,646</u></b>	<b><u>\$ 4,699</u></b>	<b><u>\$ 138,345</u></b>

Interest paid for the current year amount to \$2,804.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 12 Postemployment Benefits Other Than Pensions (OPEB)

#### General Information About the OPEB Plan

Plan Description - The City provides medical, prescription drug, and life insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The City's plan is a single-employer, defined postemployment benefit plan (the Plan) administered by the City. The Plan consists of a self-insured minimum premium traditional indemnity plan, a self-insured PPO plan, and a community rated Medicare supplemental plan for eligible retirees and dependents. Benefit provisions are established through negotiations between the City and bargaining units and are renegotiated each three-year period. The City assigns the authority to establish and amend benefit provisions to the City Council for non-bargaining unit employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

#### Benefits Provided

Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The City offers the benefit, with related premiums funded partially by participating retirees. Each retiree also pays a portion of any premium covering his or her spouse.

#### Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	191
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>157</u>
<b>Total</b>	<b><u><u>348</u></u></b>

#### Total OPEB Liability

The City's total OPEB liability of \$42,915,201 was measured on January 1, 2022 and determined by an actuarial valuation as of January 1, 2022.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 12* Postemployment Benefits Other Than Pensions (OPEB) - Continued**

#### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	3.72%
Salary Scale	3.00%
Rate of Inflation	2.50%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	6.0% for 2023, decreasing to an ultimate rate of 3.94% for 2092 and later years

The long-term bond rate is based on the Bond Buyer Weekly 20-Year Bond GO Index rate as of the measurement date (or the nearest business day thereto).

The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under the Entry Age Normal, Level Percent of Pay actuarial cost method.

Mortality rates are based on the sex-distinct Rub-2010 Mortality Tables for employees and health annuitants, and projected forward with scale MP-2021.

Termination and retirement rates are based on the New York State and Local Retirement System experience study release as prepared by the Department of Civil Service's actuarial consultant in the report titled, "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019)."

Healthcare Cost Trend Rates were based on the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. The assumption represents a reasonable medical trend projection for the current plan provisions and demographics of the Retiree Healthcare Plan, and no changes to these baseline assumptions are necessary.

The actuarial assumptions used in the January 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued

#### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at December 31, 2022</b>	<b>\$ 49,685,608</b>
<b>Changes for the Year</b>	
Service Cost	2,634,288
Interest Cost	1,057,242
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	(8,466,984)
Benefit Payments	(1,994,953)
Net Change	(6,770,407)
<b>Balance at December 31, 2023</b>	<b>\$ 42,915,201</b>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% percent in 2022 to 3.72% in 2023.

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

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

	<b>1% Decrease (2.72%)</b>	<b>Discount Rate (3.72%)</b>	<b>1% Increase (4.72%)</b>
Total OPEB Liability	\$ 49,119,485	\$ 42,915,201	\$ 37,892,610

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 36,676,949	\$ 42,915,201	\$ 50,960,899

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

**Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$2,688,854.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 918,454	\$ 565,399
Changes in Assumptions or Other Inputs	4,256,575	8,779,036
Contributions Subsequent to Measurement Date	1,907,355	-
<b>Total</b>	<b>\$ 7,082,384</b>	<b>\$ 9,344,435</b>

City contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending December 31,</b>	<b>Amount</b>
2024	\$ 34,396
2025	631,432
2026	(605,367)
2027	(1,315,337)
2028	(1,315,337)
2029 and Thereafter	(1,599,193)

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
OPEB Liability	\$ 49,685,608	\$ (6,770,407)	\$ 42,915,201
Deferred Outflows of Resources	(9,850,910)	2,768,526	(7,082,384)
Deferred Inflows of Resources	4,561,055	4,783,380	9,344,435
<b>Total</b>	<b>\$ 44,395,753</b>	<b>\$ 781,499</b>	<b>\$ 45,177,252</b>

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 12* Postemployment Benefits Other Than Pensions (OPEB) - Continued**

#### **Elmira Water Board (EWB)**

The Elmira Water Board provides medical coverage to eligible employees, retirees, and dependents through a choice of four community rated health plans with Excellus Blue Cross Blue Shield.

#### **EWB - Total OPEB Liability**

The Board recognized a total OPEB liability of \$1,867,312 as of December 31, 2023. The total OPEB liability at December 31, 2023 was measured at January 1, 2023 and determined by an actuarial valuation as of January 1, 2022.

#### **EWB - 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:

Discount Rate	3.72%
Salary Scale	3.00%
Rate of Inflation	2.50%
Healthcare Cost Trend Rate	7.00% to 3.94% in 2093
Cost Method	Entry Age Normal

The discount rate is based on an analysis of returns on the Bond Buyer Weekly 20-Bond GO Index.

Mortality rates are based on the sex-distinct Rub-2010 Mortality Tables for employees and health annuitants, and projected forward with scale MP-2021.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

**Note 13 Interfund Activity**

Individual fund balances as of December 31, 2023 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
<b>Governmental Funds</b>				
Major Funds:				
General Fund	\$ 491,298	\$ 369,216	\$ 105,797	\$ 3,848,077
Special Grant Fund	547	104,143	-	-
Capital Projects Fund	129,141	197,831	105,797	105,797
Non-Major Funds	<u>50,204</u>	<u>-</u>	<u>3,836,130</u>	<u>93,850</u>
<b>Total</b>	<b><u>\$ 671,190</u></b>	<b><u>\$ 671,190</u></b>	<b><u>\$ 4,047,724</u></b>	<b><u>\$ 4,047,724</u></b>

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources, primarily to provide services, which are routine annual events within the budget and accounting process. Balances outstanding are expected to be repaid within one year.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### Note 14 Fund Balances

#### Fund Balance Detail

At December 31, 2023, nonspendable, restricted, and assigned fund balances in the governmental funds were as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Funds</u>
<b>Nonspendable</b>			
Prepaid Expenses	\$ 124,970	\$ -	\$ -
Permanent Fund Principal	-	-	2,932,203
<b>Total Nonspendable Fund Balance</b>	<b>\$ 124,970</b>	<b>\$ -</b>	<b>\$ 2,932,203</b>
<b>Restricted</b>			
Insurance Reserves	\$ 96,846	\$ -	\$ -
Capital Projects	-	8,221,334	-
Other Restricted Fund Balance	-	-	50,204
<b>Total Restricted Fund Balance</b>	<b>\$ 96,846</b>	<b>\$ 8,221,334</b>	<b>\$ 50,204</b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 2,488,904	\$ -	\$ -
Remaining Fund Balance	-	-	171,909
<b>Total Assigned Fund Balance</b>	<b>\$ 2,488,904</b>	<b>\$ -</b>	<b>\$ 171,909</b>

#### General Fund Restricted Fund Balances

Portions of fund balance are restricted and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. Balances and activity for the year ended December 31, 2023 of the General Fund restricted reserves were as follows:

<u>General Fund Reserves</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Insurance Reserve	\$ 96,846	\$ -	\$ -	\$ 96,846
<b>Total Restricted Fund Balance</b>	<b>\$ 96,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 96,846</b>

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023**

### ***Note 14* Fund Balances - Continued**

#### **Elmira Water Board Restricted Net Position**

Certain net assets are restricted by grantors or by law through the Water Board's charter. At December 31, 2023, this amount totaled \$285,529 and consisted of net assets restricted for the Water System Improvement Fund, System Wide Improvement Fund, and Capital Reserve Fund.

### ***Note 15* Judgments and Claims**

The City and/or its agencies are named in several lawsuits, some of which are for substantial amounts. These claims are either adequately covered by insurance through the City's Risk Retention Reserve or, in the opinion of City officials, will not result in material judgments against the City or will not be pursued and, therefore, are not expected to have a material effect on the financial statements. In the past three years, no settlements exceeded insurance coverage.

The City was a member of the Public Entity Trust of New York (PETNY). PETNY became insolvent in 2008. The New York State Worker's Compensation Board did a forensic review of PETNY's operations. During 2016, the City reached a settlement agreement with the New York State Workers' Compensation Board of \$508,946, which will be paid over the next 19 years at a rate of 3%. See Note 9 for further information.

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City Attorney is of the opinion, however, that such suits, individually or in the aggregate are not likely to have a material adverse effect on the financial condition of the City. The City is insured separately for police liability with a self-insured retention of \$100,000 in each case. Presently, there is a case pending against the Police department in which the self-insured retention will be totally paid out.

In addition, several major tax certiorari proceedings are pending. This may result in financial exposure to the City of up to \$120,000.

### ***Note 16* Summary of Significant Commitments and Contingencies**

The City receives many different state and federal grants to be used for specific purposes. These grants are generally conditioned on compliance with certain statutory, regulatory, and/or contractual requirements. The City makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible the City will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. City officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the basic financial statements.

### ***Note 17* Tax Abatements**

For the year ended December 31, 2023, the City was subject to tax abatements negotiated by the Chemung County Industrial Development Agency (IDA) and New York State.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### **Note 17 Tax Abatements - Continued**

The IDA entered into payment in lieu of taxes (PILOT) agreements with businesses within the City of Elmira under New York State General Municipal Law §858. Economic development agreements entered into by the IDA can include the abatement of city, county, other local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which the IDA administer as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

New York State enters into tax agreements with businesses under §581a of the Real Property Tax Law. This gives the owners of residential properties the right to have their properties valued, for real property taxation purposes, by the “capitalization of income” method. Information relevant to disclosure of the programs for the year ended December 31, 2023 is as follows:

	<u>Tax Value</u>	<u>Amount Received</u>	<u>Taxes Abated</u>
<b>Chemung County IDA</b>			
Economic Development	\$ 351,544	\$ 219,964	\$ 131,580
§581a Program	442,185	128,175	314,010
<b>Total</b>	<b><u>\$ 793,729</u></b>	<b><u>\$ 348,139</u></b>	<b><u>\$ 445,590</u></b>

### **Note 18 Coronavirus State and Local Fiscal Recovery Funds**

During the year the City earned \$4,573,142 of the Coronavirus State and Local Fiscal Recovery Funds received as part of the American Rescue Plan. This leaves \$17,090,261 of unearned revenue. These funds are accounted for and reported within the General Fund.

### **Note 19 Subsequent Events**

On May 2, 2024, the City issued serial bonds totaling \$3,296,500 at an interest rate of 4% to finance various equipment and infrastructure improvements.

# CITY OF ELMIRA

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance
<b>REVENUES</b>					
Real Property Taxes	\$15,972,827	\$15,972,827	\$ 15,687,446	\$ -	\$ (285,381)
Real Property Tax Items	435,316	435,316	1,101,485	-	666,169
Nonproperty Tax Items	6,487,049	6,487,049	6,511,269	-	24,220
Departmental Income	4,450,255	4,450,255	4,461,120	-	10,865
Intergovernmental Charges	756,930	756,930	729,964	-	(26,966)
Use of Money and Property	52,951	52,951	1,289,459	-	1,236,508
Licenses and Permits	487,000	487,000	525,805	-	38,805
Fines and Forfeitures	60,500	60,500	68,022	-	7,522
Sale of Property and Compensation for Loss	5,500	5,500	131,944	-	126,444
Miscellaneous Local Sources	112,000	112,000	215,269	-	103,269
Interfund Revenues	-	-	48,127	-	48,127
State Sources	4,963,087	5,329,383	5,284,152	-	(45,231)
Federal Sources	23,981,500	23,981,500	4,671,544	-	(19,309,956)
<b>Total Revenues</b>	<b>57,764,915</b>	<b>58,131,211</b>	<b>40,725,606</b>	<b>-</b>	<b>(17,405,605)</b>
<b>EXPENDITURES</b>					
General Governmental Support	3,670,468	3,396,654	3,355,847	-	40,807
Public Safety	14,086,151	13,916,232	13,874,244	-	41,988
Transportation	1,691,089	1,414,371	1,310,324	-	104,047
Economic Assistance and Opportunity	159,106	525,902	525,901	-	1
Culture and Recreation	834,756	921,723	921,723	-	-
Home and Community Services	25,048,142	24,776,524	5,347,019	-	19,429,505
Employee Benefits	10,251,340	11,211,086	11,211,086	-	-
Debt Service:					
Principal	133,864	267,765	267,765	-	-
Interest	58,000	92,824	92,824	-	-
<b>Total Expenditures</b>	<b>55,932,916</b>	<b>56,523,081</b>	<b>36,906,733</b>	<b>-</b>	<b>19,616,348</b>
Excess of Revenues (Expenditures)	1,831,999	1,608,130	3,818,873	-	2,210,743
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	57,860	107,859	105,797	-	(2,062)
Interfund Transfers (Out)	(3,839,858)	(3,848,077)	(3,848,077)	-	-
Proceeds of Obligations	-	232,088	232,088	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,781,998)</b>	<b>(3,508,130)</b>	<b>(3,510,192)</b>	<b>-</b>	<b>(2,062)</b>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	(1,949,999)	(1,900,000)	308,681	<b>\$ -</b>	<b>\$ 2,208,681</b>
Appropriated Fund Balance	1,949,999	1,900,000			
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>308,681</b>		
Fund Balance, Beginning of Year			7,148,558		
<b>Fund Balance, End of Year</b>			<b>\$ 7,457,239</b>		

*See Notes to Required Supplementary Information*

# CITY OF ELMIRA

## SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 2,634,288	\$ 1,996,990	\$ 1,795,737	\$ 1,268,887	\$ 1,455,758	\$ 1,505,050	\$ *	\$ *	\$ *	\$ *
Interest Cost	1,057,242	1,093,813	1,304,135	1,536,265	1,352,520	1,786,296	*	*	*	*
Changes of Benefit Terms	-	(796,458)	(1,825,018)	473,641	-	-	*	*	*	*
Differences Between Expected and Actual Experience	-	116,144	-	2,573,132	-	(12,263,329)	*	*	*	*
Changes in Assumptions or Other Inputs	(8,466,984)	(1,305,307)	4,568,490	5,739,277	(2,531,747)	3,075,760	*	*	*	*
Benefit Payments	(1,994,953)	(2,035,157)	(2,056,421)	(1,927,085)	(1,947,349)	(2,040,240)	*	*	*	*
	(6,770,407)	(929,975)	3,786,923	9,664,117	(1,670,818)	(7,936,463)	*	*	*	*
Total OPEB Liability - Beginning of Year	49,685,608	50,615,583	46,828,660	37,164,543	38,835,361	46,771,824	*	*	*	*
<b>Total OPEB Liability - End of Year</b>	<b>\$ 42,915,201</b>	<b>\$ 49,685,608</b>	<b>\$ 50,615,583</b>	<b>\$ 46,828,660</b>	<b>\$ 37,164,543</b>	<b>\$ 38,835,361</b>	<b>\$ 46,771,824</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>
Covered Employee Payroll	\$ 12,669,069	\$ 13,014,635	\$ 12,380,982	\$ 11,273,138	\$ 13,581,624	\$ 10,858,870	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	339%	382%	409%	415%	274%	358%	*	*	*	*
<b>The Following is a Summary of Changes of Assumptions:</b>										
Health Cost Trend Rates	6.0% to 3.94%	6.0% to 3.94%	6.5% to 3.94%	6.5% to 3.94%	7.0% to 3.94%	7.0% to 3.94%	*	*	*	*
Salary Increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	*	*	*	*
Inflation Rate	2.50%	2.50%	2.12%	2.74%	2.40%	2.40%	*	*	*	*
Discount Rate	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2019	MP-2019	MP-2018	MP-2018	*	*	*	*

Information for periods prior to the implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.

See Notes to Required Supplementary Information

# ***CITY OF ELMIRA***

## **SCHEDULE OF CITY'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Employees' Retirement System</b>										
Contractually Required Contribution	\$ 499,249	\$ 394,419	\$ 472,095	\$ 422,579	\$ 510,106	\$ 485,777	\$ 691,934	\$ 967,005	\$ 868,141	\$ 947,134
Contributions in Relation to the Contractually Required Contribution	(499,249)	(394,419)	(472,095)	(422,579)	(510,106)	(485,777)	(691,934)	(967,005)	(868,141)	(947,134)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
City's Covered Employee Payroll	6,777,712	5,870,007	5,425,266	5,034,574	4,600,088	4,492,889	5,279,293	4,428,674	4,911,729	4,923,439
Contributions as a Percentage of Covered Employee Payroll	7.4%	6.7%	8.7%	8.4%	11.1%	10.8%	13.1%	21.8%	17.7%	19.2%
<b>Police and Fire Retirement System</b>										
Contractually Required Contribution	2,797,312	2,920,250	2,666,188	2,648,839	2,337,055	2,313,204	2,478,784	2,379,966	2,221,609	1,557,403
Contributions in Relation to the Contractually Required Contribution	(2,797,312)	(2,920,250)	(2,666,188)	(2,648,839)	(2,337,055)	(2,313,204)	(2,478,784)	(2,379,966)	(2,221,609)	(1,557,403)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
City's Covered Employee Payroll	10,942,479	10,045,322	9,694,111	9,587,652	9,721,225	9,503,939	9,645,059	9,649,224	9,746,611	10,150,265
Contributions as a Percentage of Covered Employee Payroll	25.6%	29.1%	27.5%	27.6%	24.0%	24.3%	25.7%	24.7%	22.8%	15.3%

*See Notes to Required Supplementary Information*

# CITY OF ELMIRA

## SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Employees' Retirement System</b>									
City's Proportion of the Net Pension (Asset)/Liability	<b>0.0134046%</b>	0.0103447%	0.0090807%	0.0086153%	0.0092558%	0.0089123%	0.0129363%	0.0181458%	0.0184513%
City's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 2,874,487</b>	\$ (845,633)	\$ 9,042	\$ 2,281,435	\$ 655,806	\$ 287,638	\$ 1,215,527	\$ 3,014,544	\$ 623,330
City's Covered Employee Payroll During the Measurement Period	<b>3,949,303</b>	3,708,442	2,764,158	2,656,498	2,618,184	2,547,382	4,079,676	4,900,635	4,944,661
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	<b>72.78%</b>	22.80%	0.33%	85.88%	25.05%	11.29%	29.79%	61.51%	12.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	<b>90.8%</b>	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<b>The following is a Summary of Changes of Assumptions:</b>									
Inflation	<b>2.90%</b>	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	<b>4.40%</b>	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	<b>1.50%</b>	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	<b>MP-2021</b>	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.*

*See Notes to Required Supplementary Information*

# CITY OF ELMIRA

## SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY PFRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Police and Fire Retirement System</b>									
City's Proportion of the Net Pension (Asset)/Liability	<b>0.2979953%</b>	0.2501696%	0.2546259%	0.2617514%	0.2781440%	0.2746841%	0.2852966%	0.3135428%	0.3048065%
City's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 16,420,949</b>	\$ 1,421,075	\$ 4,421,008	\$ 13,990,448	\$ 4,664,651	\$ 2,776,389	\$ 5,913,205	\$ 9,283,335	\$ 839,009
City's Covered Employee Payroll During the Measurement Period	<b>10,479,478</b>	11,096,813	9,691,825	9,693,873	9,777,551	9,412,735	9,722,501	9,624,798	10,112,051
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	<b>156.70%</b>	12.81%	45.62%	144.32%	47.71%	29.50%	60.82%	96.45%	8.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	<b>87.4%</b>	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%

**The following is a Summary of Changes of Assumptions:**

Inflation	<b>2.90%</b>	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	<b>6.20%</b>	6.20%	6.20%	5.00%	5.00%	4.50%	4.50%	4.50%	6.00%
Cost of Living Adjustments	<b>1.50%</b>	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	<b>MP-2021</b>	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.*

*See Notes to Required Supplementary Information*

# ***CITY OF ELMIRA***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023**

### ***Note 1* Budgetary Data**

**Budget Policies** - The budget policies are as follows:

- No later than November 15, the City Manager submits a tentative budget to the City Council for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds, except for the Special Grant, Agency, and Risk Retention Funds.
- After public hearings are conducted to obtain taxpayer comments, no later than the first meeting in March, the City Council adopts the budget.
- All modifications of the budget must be approved by the City Council.
- Budgetary controls are established for the Capital Projects and Special Grant Funds through resolutions authorizing individual projects, which remain in effect for the life of the project.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the Governmental Funds. Encumbrances are reported as reservations of fund balances, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

### **Budget Basis of Accounting**

Except as indicated below, budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary controls for the Special Grant Fund are established in accordance with the applicable grant agreement, which covers a period other than the City's fiscal year.

### ***Note 2* Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as encumbrances are presented in a separate column and are not included in the actual results at December 31, 2023.

### ***Note 3* Schedules of the City's Proportionate Share of the Net Pension (Asset)/Liability**

The Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability, required supplementary information, will present ten years of information as it becomes available.

# ***CITY OF ELMIRA***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023**

### **Note 4 Schedules of the City's Contributions - NYSLRS Pension Plans and Schedules of the City's Proportionate Share of the Net Pension (Asset)/Liability**

#### **NYSLRS**

##### **Changes in Benefit Terms**

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

**INDEPENDENT AUDITORS' 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***

Mayor and Members of the City Council  
City of Elmira  
Elmira, 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 governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Elmira (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2024.

Our report includes a reference to other auditors who audited the financial statements of the Elmira Water Board, as described in our report on the City's financial statements. The financial statements of the Elmira Water Board were not audited in accordance with *Governmental Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Elmira Water Board.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 preceding paragraph 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 may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 28, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Mayor and Members of the City Council  
City of Elmira  
Elmira, New York

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City of Elmira's (the City) 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 City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 the City'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 the City's federal programs.

### **Auditors' 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 the City'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 GAAS, *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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the City'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 the City'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 the City'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 Auditors' 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.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 28, 2024

# CITY OF ELMIRA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN#	Pass - Through Grantor No.	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Community Development Block Grants				
Entitlement Grants Cluster:				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	\$ 286,204	\$ 1,260,660
Home Investment Partnerships Programs	14.239	N/A	-	162,399
Lead Based Paint Hazard Control Program	14.900	N/A	-	309,689
<b>Total U.S. Department of Housing and Urban Development</b>			286,204	1,732,748
<b>U.S. Department of Homeland Security</b>				
Passed through NYS Department of Homeland Security and Emergency Services:				
Assistance to Firefighters Grant	97.044	EMW-2021-FG-05675	-	276,545
<b>Total U.S. Department of Homeland Security</b>			-	276,545
<b>U.S. Department of Justice</b>				
Passed through Office of Victim Services				
Crime Victim Assistance	16.575	C10948GG	-	98,402
<b>Total U.S. Department of Justice</b>			-	98,402
<b>U.S. Department of Treasury</b>				
(COVID-19) State and Local Fiscal Recovery Funds				
	21.027	N/A	-	4,573,142
<b>Total U.S. Department of Treasury</b>			-	4,573,142
<b>U.S. Department of Transportation</b>				
Passed Through NYS Department of Transportation:				
Highway Planning and Construction	20.205	D035294	-	5,757
Highway Planning and Construction	20.205	D036102	-	473,089
Highway Planning and Construction	20.205	D040477	-	173,960
Highway Planning and Construction	20.205	D035708	-	3,756
<b>Total Highway Planning and Construction and U.S. Department of Transportation</b>			-	656,562
<b>Total Expenditures of Federal Awards</b>			<b>\$ 286,204</b>	<b>\$ 7,337,399</b>

N/A - Indicates Direct Award

*See Notes to Schedule of Expenditure of Federal Awards*

# CITY OF ELMIRA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2023

**Note 1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal awards programs administered by the City, an entity as defined in Note 1 to the City's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the SEFA.

**Note 2 Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

**Note 3 Indirect Cost Rate**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The City has not elected to use the 10% de minimus cost rate.

**Note 4 Matching Costs**

Matching costs, such as the City's share of certain program costs, are not included in the reported expenditures.

**Note 5 Revolving Loan Programs**

The City operates a revolving loan program utilizing federal financial assistance received under current and prior Community Development Block Grants (CDBG) and prior Home Investment Partnership Programs (HOME). Loans outstanding at December 31, 2023 under these programs, reported as part of loans receivable in the City's basic financial statements, are as follows:

Loans Receivable - CDBG	\$ 1,349,064
Loans Receivable - AHC	279,611
Loans Receivable - HOME	866,996
Total Loans Receivable	<u>2,495,671</u>
(Less) Allowance for Uncollectible Accounts	<u>-</u>
<b>Net Loans Receivable</b>	<b><u>\$ 2,495,671</u></b>

**Note 6 Other Disclosures**

Insurance is carried to cover vehicles purchased with federal funds. Other equipment purchased with federal funds has only a nominal value and is covered by the City's casualty insurance policies. There was no noncash assistance provided to the City.

# CITY OF ELMIRA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS DECEMBER 31, 2023

### Section I Summary of Auditors' Results

#### Financial Statements

Type of Auditors' Report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Type of Auditors' Report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §2 CFR 200.516(a) of OMB Uniform Guidance?  yes  no

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>21.027</u>	<u>(COVID-19) State and Local Fiscal Recovery Funds</u>
<u>97.044</u>	<u>Assistance to Firefighters Grant</u>

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

Auditee qualified as low-risk auditee:  yes  no

**Section II Financial Statement Findings:** None.

**Section III Federal Award Findings and Questioned Costs:** None.