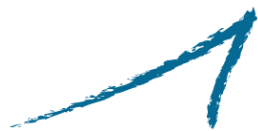


# **CITY OF ELMIRA**

**Elmira, New York**

## **FINANCIAL REPORT**

**For the Year Ended  
December 31, 2024**



**insero&co**

Certified Public Accountants

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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 unit, 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, 2024, 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, 2024, 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 aggregate discretely presented component unit as of December 31, 2024, 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*.

### **Emphasis of a Matter**

During the year ended December 31, 2024, the City implemented GASB Statement No. 101, “Compensated Absences,” which required a restatement of beginning net position to recognize compensated absences in accordance with the new standard. Additionally, the City performed a physical inventory of its capital assets, requiring a correction to capital asset balances previously reported. As discussed in Note 20 to the financial statements, net position has been restated as of December 31, 2023 to reflect this change in accounting principle and correction. Our opinion is not modified with respect to these matters.

### **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 24, 2025, 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,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 24, 2025

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

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, 2024. These management comments provide the benefit of perspective on certain developments that, while they occurred after December 31, 2024, provide relevant context for the 2024 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 through 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, 2024

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, 2024**

- 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 Fiduciary Net Position 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, 2024 totaled \$5,484,208. Of the City's net position, \$48,683,311 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, \$3,029,049 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>2024</i></b>	<b><i>2023</i></b>	<b><i>Dollar Change</i></b>
<i>Current Assets</i>	\$ 31,884,856	\$ 43,633,696	\$(11,748,840)
<i>Noncurrent Assets</i>	8,384,717	10,104,759	(1,720,042)
<i>Capital Assets</i>	75,706,574	69,728,730	5,977,844
<b><i>Total Assets</i></b>	<b>115,976,147</b>	<b>123,467,185</b>	<b>(7,491,038)</b>
<b><i>Total Deferred Outflows of Resources</i></b>	<b>22,426,243</b>	<b>22,675,928</b>	<b>(249,685)</b>
<i>Current Liabilities</i>	20,537,606	20,566,432	(28,826)
<i>Noncurrent Liabilities</i>	92,334,352	105,515,090	(13,180,738)
<b><i>Total Liabilities</i></b>	<b>112,871,958</b>	<b>126,081,522</b>	<b>(13,209,564)</b>
<b><i>Total Deferred Inflows of Resources</i></b>	<b>20,046,224</b>	<b>11,308,286</b>	<b>8,737,938</b>
<i>Net Investment in Capital Assets</i>	48,683,311	40,964,303	7,719,008
<i>Restricted</i>	3,029,049	2,999,870	29,179
<i>Unrestricted (Deficit)</i>	(46,228,152)	(35,210,868)	(11,017,284)
<b><i>Total Net Position</i></b>	<b>\$ 5,484,208</b>	<b>\$ 8,753,305</b>	<b>\$ (3,269,097)</b>

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

Significant changes from the prior year are as follows:

- Net position as of December 31, 2023 was restated to reflect a change in accounting principle for implementation of GASB Statement No. 101, "Compensated Absences," as well as for capital asset due to changes caused by a physical inventory. See Note 20 for additional information.
- 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 of receivables, with more receivables due at year end for various state and federal grants, as well as other governmental sources.
- Capital outlay exceeded depreciation/amortization 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, improvements, 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.
- Noncurrent liabilities decreased due to the decrease in deferred revenue as State and Local Fiscal Recovery Funds were spent during the year. Additional decreases were due to the change in the net pension liability and the other postemployment benefits, which is related to changes in actuarial assumptions.

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

Figure 2 demonstrates the operations of Governmental Activities.

**Figure 2  
Changes in Net Position**

<b><i>Governmental Activities</i></b>	<b><i>2024</i></b>	<b><i>2023</i></b>	<b><i>Dollar Change</i></b>
<b><i>REVENUES</i></b>			
<b><i>Program Revenues</i></b>			
<i>Charges for Services</i>	\$ 4,887,779	\$ 5,673,735	\$ (785,956)
<i>Operating Grants and Contributions</i>	10,824,236	7,575,650	3,248,586
<i>Capital Grants and Contributions</i>	1,901,059	3,341,815	(1,440,756)
<b><i>General Revenues</i></b>			
<i>Property Taxes and Tax Items</i>	15,316,147	16,788,931	(1,472,784)
<i>Nonproperty Taxes and Tax Items</i>	6,386,779	6,511,269	(124,490)
<i>State Sources</i>	5,788,583	4,741,573	1,047,010
<i>Other</i>	1,492,002	2,259,221	(767,219)
<b><i>Total Revenues</i></b>	<b>\$ 46,596,585</b>	<b>\$ 46,892,194</b>	<b>\$ (295,609)</b>
<b><i>PROGRAM EXPENSES</i></b>			
<i>General Governmental Support</i>	\$ 6,251,600	\$ 4,953,055	\$ 1,298,545
<i>Public Safety</i>	28,067,493	26,029,534	2,037,959
<i>Transportation</i>	5,868,711	4,705,285	1,163,426
<i>Economic Assistance and Opportunity</i>	676,986	1,104,460	(427,474)
<i>Culture and Recreation</i>	1,586,868	1,740,755	(153,887)
<i>Home and Community Services</i>	6,523,077	7,245,765	(722,688)
<i>Interest on Long-Term Debt</i>	890,947	855,211	35,736
<b><i>Total Expenses</i></b>	<b>\$ 49,865,682</b>	<b>\$ 46,634,065</b>	<b>\$ 3,231,617</b>
<b><i>CHANGE IN NET POSITION</i></b>	<b>\$ (3,269,097)</b>	<b>\$ 258,129</b>	<b>\$ (3,527,226)</b>

Significant changes from prior year are as follows:

- Operating grants and contributions increased due to an increase in reimbursable projects connected to the State and Local Fiscal Recovery Fund.
- The reduction in capital grants and contributions was the result of less reimbursable expenses associated with the Consolidated Highway Improvement Program.
- The City saw a decrease in its real property taxes and tax items due to a revised agreement with Chemung County associated with unpaid property taxes.
- Total expenses increased due to an overall increase in payroll expenses of \$942,702, coupled with an increase in employee benefits of \$893,478 within the General Fund, as well as increases in the City's pension and OPEB expenses.

The prior period information presented in this MD&A for the fiscal year 2023 is not consistent with the information presented for 2023 due to the change in accounting principle associated with the City's adoption of GASB Statement No. 101, or fixed assets adjustments.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

The cost of all Governmental Activities this year was \$49,865,682. 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 \$32,252,608 because some of the cost was paid by those who directly benefited from the programs, \$4,887,779, or by other government and organizations that subsidized certain programs with grants and contributions, \$12,725,295. Overall, the City's governmental program revenues, including fees for services and grants, were \$17,613,074. The City paid for the remaining "public benefit" portion of Governmental Activities with general revenues of \$28,983,511. 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 decreased by 29.78%.

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

<i>Governmental Funds</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>
<i>Major Funds</i>			
<i>General Fund</i>	\$ 2,318,115	\$ 7,457,239	\$ (5,139,124)
<i>Special Grant Fund</i>	(226,770)	(300,218)	73,448
<i>Capital Projects Fund</i>	7,483,601	8,221,334	(737,733)
<i>Non-Major Governmental Funds</i>	3,439,481	3,154,316	285,165
<i>Totals</i>	<b>\$ 13,014,427</b>	<b>\$ 18,532,671</b>	<b>\$ (5,518,244)</b>

Significant changes from prior year are as follows:

- The General Fund balance decreased primarily due to an increase in health insurance expense and an increase in public safety salaries, offset by an increase in state aid.
- Capital Projects Fund balance decreased primarily due to the decrease in state and federal grants related to the completed projects, offset by the increase in purchased equipment.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

### 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 unanticipated health insurance cost overruns.

*Figure 4  
Budgetary Comparison Schedule - General Fund  
December 31, 2024*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Variance Fav.(Unfav.)</i>
<b>REVENUES AND OTHER</b>				
<b>FINANCING SOURCES</b>				
<i>Real Property Taxes and Tax Items</i>	\$ 16,972,804	\$ 16,972,804	\$ 15,316,147	\$ (1,656,657)
<i>Nonproperty Tax Items</i>	7,130,510	7,130,510	6,386,779	(743,731)
<i>Departmental Income</i>	4,541,355	4,541,355	3,698,551	(842,804)
<i>State Sources</i>	5,145,561	5,145,561	5,949,735	804,174
<i>Other Revenues and Financing Sources</i>	18,759,272	19,005,589	11,317,448	(7,688,141)
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 52,549,502</b>	<b>\$ 52,795,819</b>	<b>\$ 42,668,660</b>	<b>\$ (10,127,159)</b>
<b>Appropriated Fund Balance</b>	<b>\$ 1,900,000</b>	<b>\$ 3,978,967</b>		
<b>EXPENDITURES AND OTHER</b>				
<b>FINANCING USES</b>				
<i>Public Safety</i>	\$ 14,534,260	\$ 14,876,997	\$ 14,876,997	\$ -
<i>Employee Benefits</i>	10,311,049	12,104,564	12,104,564	-
<i>Other Expenditures and Other Financing Uses</i>	29,604,193	29,793,225	20,826,223	8,967,002
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 54,449,502</b>	<b>\$ 56,774,786</b>	<b>\$ 47,807,784</b>	<b>\$ 8,967,002</b>
<b>Excess of Revenues and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,139,124)</b>	<b>\$ (1,160,157)</b>

Significant budgetary variances 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 Economic Assistance and Opportunity than originally budgeted for, due to less State and Fiscal Recovery Funds expended in comparison to budgeted.

# CITY OF ELMIRA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At December 31, 2024, the City had invested in a broad range of capital assets totaling \$152,245,996; offset by accumulated depreciation and amortization of \$76,539,422. *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>2024</i>	<i>2023</i>	<i>Dollar Change</i>
<i>Land and Construction in Progress</i>	\$ 734,639	\$ 734,639	\$ -
<i>Buildings</i>	600,631	1,636,486	(1,035,855)
<i>Improvements</i>	7,386,620	2,450,126	4,936,494
<i>Machinery and Equipment</i>	6,086,522	5,235,607	850,915
<i>Infrastructure</i>	60,311,923	59,116,086	1,195,837
<i>Intangible Lease Assets</i>	363,860	375,962	(12,102)
<i>Subscription Assets</i>	222,379	179,824	42,555
<b><i>Totals</i></b>	<b>\$ 75,706,574</b>	<b>\$ 69,728,730</b>	<b>\$ 5,977,844</b>

#### Debt Administration

The City's short and long-term debt obligations increased by 0.68% at December 31, 2024, as shown in *Figure 6*. Of this amount, \$25,433,340 was subject to the constitutional debt limit and represented 49.5% of the City's statutory debt limit.

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

<i>Governmental Activities</i>	<i>2024</i>	<i>2023</i>	<i>Dollar Change</i>
<i>Serial Bonds</i>	\$ 26,491,451	\$ 26,364,881	\$ 126,570
<i>Lease Liabilities</i>	356,123	364,106	(7,983)
<i>Subscription Liabilities</i>	197,111	133,646	63,465
<b><i>Totals</i></b>	<b>\$ 27,044,685</b>	<b>\$ 26,862,633</b>	<b>\$ 182,052</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, 2024

### FUTURE FACTORS

Overall, the City of Elmira's recovery continued in 2024. The City continued development funded by the over \$14 Million in state funds awarded to the City from 2016-2024 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. This, coupled with NYS' adjustment of the City's equalization rate to 61.0%, has helped the City's assessed values.

As previously shared, the City was awarded \$28,270,386 from the Coronavirus Local Fiscal Recovery Fund under the \$1.9 trillion American Rescue Plan economic stimulus plan passed by Congress in March 2021. Under the American Rescue Plan (ARP) Act, all funds must be obligated by December 31, 2024, and spent by December 31, 2026. Approved projects included:

• lost revenue replacement	\$8.70 million
• grants for rehabilitation of local residential and commercial property stock (950+ properties)	\$4.93 million
• grants to tourism-oriented purposes	\$5.48 million
• water / stormwater infrastructure improvement	\$5.18 million
• premium pay for essential employees	\$1.39 million
• removal of dead or dying trees and tree limbs	\$0.80 million
• public safety staffing	\$0.50 million
• broadband infrastructure	\$0.50 million
• community grants to mitigate COVID-19 impact on local businesses and non-profits (100+ properties)	\$0.47 million
• administration of ARP grant	\$0.32 million
<b>Total</b>	<u>\$28.27 million</u>

100% of funds were committed to selected projects by the deadline of December 2024, and will be utilized by December 2026 or returned to the Treasury Department.

Empire State Development RESTORE NY:

- **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 is the project's sponsor, owner, developer, and property manager. The development included four separate historic buildings which were converted to thirty (30) one-bedroom, six (6) 2-bedroom and five (5) studio units utilizing Historic Tax Credits and NYS Homes and Community Renewal funding. The project included 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). In addition, the Reynolds Way Apartment project participated in the NYSERDA New Construction Housing Program and is a 2020 Enterprise Green Communities certified project. The project was completed in 2024.

# *CITY OF ELMIRA*

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

- **Round 9:** The City of Elmira was awarded \$1 million dollars for the rehabilitation and renovation of 254 Baldwin Street, Former Arnot Carriage House, as a boutique style hotel which will support and develop Elmira's tourism and arts and cultural industries. The finished site will house the Tommy Hilfiger Archive, event space, and develop 12 hotel rooms. The project is located in Elmira's Downtown Revitalization Initiative (DRI) target area and the Business Improvement District (BID), making it a high impact project.

As of late 2023, First Arena in downtown Elmira came under the management of the IDA. 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. Also under the IDA's management, as of Fall 2024 the Elmira Aviators Hockey team calls the LECOM Event Center home. The LECOM Event Center is functioning as an active hockey facility and an entertainment venue with concerts and other events.

Capriotti Properties is actively 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 LECOM Events Center 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 underway, and is anticipated to be completed by Fall 2025.

We are delighted to report that a new 24-hour travel center is planning to open in the City of Elmira, right at the I-86 exit for the City. The 24-hour station is anticipated to include gas pumps for cars and semi-trucks, electric vehicle chargers, a mini-mart with a drive-through Starbucks and various restaurants, extensive parking and a vehicle service facility. The project succeeded in gaining the recommendation to move forward from the City Planning Commission at the March 2025 meeting.

A new Taco Bell is planning to open in the City of Elmira, and construction is expected to begin shortly, in 2025.

City Council has approved a letter of intent with Reify Energy LLC to place solar panels on multiple City-owned properties. This arrangement is expected to benefit the City by creating a new revenue stream and reducing energy costs, as we will receive solar energy as a part of this deal. Solar energy storage is not included in this arrangement.

Community Development work continues:

- **Cities Rise Initiative (2020-2026 \$1 Million)**
  - The City of Elmira continues to implement policies and activities with funding from the Cities RISE Initiative. The City has developed a revolving loan fund which will provide up to \$25,000 in low interest loans to property owners in the City for housing repairs. The program also created a rental inspection for 1 & 2 family rental properties in the City and has helped to fund technology system upgrades at the Code Department.

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

- LEAD Hazard Reduction Grant (2023 - 2026 \$1.5 Million)
  - As you know, 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 performance period is January 2023 – June 2026. The 2023 – 2026 grant is facilitating work on 16 properties. In August 2025, the City plans to apply for the next round of funding.
  
- Leading in Lead Prevention, Homes and Community Renewal HCR (\$585,326) 2025 - 2027
  - The City works closely with the Chemung County Health Department on The Leading in Lead Prevention Program through Homes and Community Renewal. The program provides funding for construction rehab costs to address lead paint hazards on residential properties within the City of Elmira. The City is the current Local Program Administrator (LPA) for \$585,326 which will address an additional 20 units of lead hazards. The County Health Department provides referrals for the program. 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.
  
- Vacant Rental Improvement Program
  - The Vacant Rental Improvement Program (“VRP”) is a grant program funded by the State of New York and administered by the Housing Trust Fund Corporation’s (HTFC) Office of Community Renewal (OCR), to support repairs and rehabilitation of vacant rental units and other vacant spaces to increase the supply of critically needed apartments for low- and moderate-income renters outside of New York City. The program aims to help owners of rental properties bring vacant units and spaces in small-scale properties back into productive use to create safe, quality, and affordable long-term rental units. The City of Elmira was awarded \$953,460 to provide grants to local property owners for housing renovations and rehabilitation. An estimated sixteen units will be rehabilitated under this program. The contract period of performance is February 2025 - February 2027.

We are always extremely appreciative of all the businesses and grants that fund projects that are contributing to the ongoing renewal of the City, to the benefit of our citizens and our financial position.

It is important to note that the property tax foreclosure agreement that the City had with Chemung County, that facilitated the purchase of unpaid property tax bills by the County from the City in February following the close of each fiscal year, has been terminated as of December 31, 2024. In its place, the City and County have made a new agreement whereby payment for such tax bills will be transferred to the City on a monthly basis as they are collected from the property owners through October following the fiscal year close, and payment in full will be made by November. For 2024, the City has turned over \$2.0 million in unpaid tax bills, interest and penalties to the County for collection.

# ***CITY OF ELMIRA***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

In addition, in 2024 the City experienced health insurance cost overruns and runoff totaling \$1.52 million. As a result, as of January 1, 2025, the City has switched insurance carriers to the Health Insurance Consortium (formerly known as the Greater Tompkins County Municipal Health Insurance Consortium). The new insurance plan protects the City from unanticipated health insurance cost overruns. Combined, these factors had a significant impact on the City's 2024 financial performance.

Reflecting 2024's financial performance and the 2025 Budget, the City's General Fund balance is now \$2,318,115, consisting of restricted fund balance of \$96,846, assigned fund balance of \$3,500,000 (representing the 2025 planned use of the fund balance), nonspendable fund balance of \$592,832, and unassigned fund balance of \$(1,871,563). Our bond ratings have been updated by Standard and Poors (S&P) Global Ratings to A- with a Stable Outlook. Moody's has updated our bond rating to Baa3.

### **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, 2024

	<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	\$ 6,193,486	\$ 4,485,250
Cash and Cash Equivalents, Restricted	4,887,181	1,187,374
Investments, Unrestricted	294,213	-
Investments, Restricted	11,254,295	-
Due From State and Federal Governments	4,209,699	-
Due From Other Governments	1,077,998	-
Other Receivables, Net	2,289,627	1,819,495
Loans and Mortgages Receivable, Current Portion	1,028,666	-
Lease Receivable, Current Portion	56,859	-
Prepaid Expenses	592,832	364,701
Inventory, Net	-	3,012,476
<b>Total Current Assets</b>	<b>31,884,856</b>	<b>10,869,296</b>
<b>Noncurrent Assets</b>		
Cash and Cash Equivalents, Restricted	2,791,160	-
Investments, Unrestricted	298,593	-
Investments, Restricted	3,033,080	-
Loans and Mortgages Receivable, Long-Term Portion	1,862,655	-
Lease Receivable, Long-Term Portion	399,229	-
Capital Assets, Non-Depreciable	734,639	712,162
Other Capital Assets, Net	74,971,935	33,784,072
<b>Total Noncurrent Assets</b>	<b>84,091,291</b>	<b>34,496,234</b>
<b>Total Assets</b>	<b>115,976,147</b>	<b>45,365,530</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Defeased Debt	46,690	2,157
Other Postemployment Benefits	8,033,593	262,394
Pensions	14,345,960	1,844,567
<b>Total Deferred Outflows of Resources</b>	<b>22,426,243</b>	<b>2,109,118</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## STATEMENT OF NET POSITION (CONTINUED) DECEMBER 31, 2024

	Governmental Activities and Primary Government	Component Unit Elmira Water Board
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 3,949,344	\$ 260,835
Accrued Liabilities	3,072,442	123,001
Unearned Revenue	7,594,207	-
Interest Payable	306,628	10,340
Current Portion of Long-Term Liabilities:		
Pension Obligations	51,244	-
Bonds Payable	3,021,505	308,760
Lease Liabilities	133,334	-
Subscription Liabilities	168,989	-
Workers' Compensation Liability	23,311	-
Compensated Absences	2,216,602	358,864
<b>Total Current Liabilities</b>	<b>20,537,606</b>	<b>1,061,800</b>
<b>Noncurrent Liabilities</b>		
Other Postemployment Benefits Liability	41,573,398	1,910,215
Bonds Payable	23,469,946	779,113
Lease Liabilities	222,789	-
Subscription Liabilities	28,122	-
Pension Obligations	646,809	-
Workers' Compensation Liability	342,856	-
Net Pension Liability	14,806,624	1,319,808
Unearned Revenue	9,390,372	-
Compensated Absences	1,853,436	329,413
<b>Total Noncurrent Liabilities</b>	<b>92,334,352</b>	<b>4,338,549</b>
<b>Total Liabilities</b>	<b>112,871,958</b>	<b>5,400,349</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	6,310,804	1,173,695
Other Postemployment Benefits	13,296,170	220,578
Leases	439,250	-
<b>Total Deferred Inflows of Resources</b>	<b>20,046,224</b>	<b>1,394,273</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	48,683,311	33,408,361
Restricted	3,029,049	300,275
Unrestricted (Deficit)	(46,228,152)	6,971,390
<b>Total Net Position</b>	<b>\$ 5,484,208</b>	<b>\$ 40,680,026</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

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		
<b>Governmental Activities and Primary Government</b>					
General Governmental Support	\$ 6,251,600	\$ 436,139	\$ -	\$ -	\$ (5,815,461)
Public Safety	28,067,493	1,538,144	169,234	-	(26,360,115)
Transportation	5,868,711	279,082	126,598	1,743,986	(3,719,045)
Economic Assistance and Opportunity	676,986	-	7,056	-	(669,930)
Culture and Recreation	1,586,868	20,779	-	-	(1,566,089)
Home and Community Services	6,523,077	2,613,635	10,521,348	157,073	6,768,979
Interest on Debt	890,947	-	-	-	(890,947)
<b>Total Governmental Activities</b>	<b>\$ 49,865,682</b>	<b>\$ 4,887,779</b>	<b>\$ 10,824,236</b>	<b>\$ 1,901,059</b>	<b>(32,252,608)</b>
<b>Component Unit</b>					
Elmira Water Board	\$ 9,419,806	\$ 9,959,361	\$ -	\$ -	539,555
<b>Total Component Units</b>	<b>\$ 9,419,806</b>	<b>\$ 9,959,361</b>	<b>\$ -</b>	<b>\$ -</b>	<b>539,555</b>
<b>GENERAL REVENUES</b>					
Real Property Taxes				14,789,144	-
Real Property Tax Items				527,003	-
Nonproperty Tax Items				5,868,814	-
Utilities Gross Receipts Tax				260,312	-
Franchise Taxes				257,653	-
Use of Money and Property				1,677,438	334,621
Sale of Property and Compensation for Loss				(681,381)	-
Miscellaneous Local Sources				495,945	-
(Loss) on Disposal of Assets				-	(36,262)
State Sources				5,788,583	-
<b>Total General Revenues</b>				<b>28,983,511</b>	<b>298,359</b>
Change in Net Position				(3,269,097)	837,914
Net Position - Beginning of Year, as previously reported				7,768,743	39,842,112
Change in Accounting Principles - Compensated Abscences				(996,025)	-
Correction of Error - Fixed Assets				1,980,587	-
Net Position - Beginning of Year, as restated				8,753,305	39,842,112
<b>Net Position - End of Year</b>				<b>\$ 5,484,208</b>	<b>\$ 40,680,026</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2024

	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	\$ 5,756,142	\$ -	\$ -	\$ 437,092	\$ 6,193,234
Cash and Cash Equivalents - Restricted	2,791,160	926,305	3,914,076	46,800	7,678,341
Temporary Investments - Unrestricted	155,485	-	-	-	155,485
Temporary Investments - Restricted	6,979,005	-	4,275,290	3,033,080	14,287,375
Due From Other Funds	545,129	13,001	25,000	153,664	736,794
Due From State and Federal Governments	77,306	4,039,792	92,601	-	4,209,699
Due From Other Governments	1,067,390	10,608	-	-	1,077,998
Other Receivables, Net	464,188	1,804,723	19,716	1,000	2,289,627
Loans Receivable, Net	-	2,891,321	-	-	2,891,321
Prepaid Expenses	592,832	-	-	-	592,832
Leases Receivable	456,088	-	-	-	456,088
<b>Total Assets</b>	<b>\$ 18,884,725</b>	<b>\$ 9,685,750</b>	<b>\$ 8,326,683</b>	<b>\$ 3,671,636</b>	<b>\$ 40,568,794</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,247,379	\$ 385,913	\$ 305,388	\$ 10,664	\$ 3,949,344
Accrued Liabilities	2,981,369	89,183	-	1,890	3,072,442
Due to Other Funds	179,968	113,130	443,696	-	736,794
Unearned Revenue	9,718,644	6,953,336	93,998	218,601	16,984,579
<b>Total Liabilities</b>	<b>16,127,360</b>	<b>7,541,562</b>	<b>843,082</b>	<b>231,155</b>	<b>24,743,159</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	2,370,958	-	1,000	2,371,958
Leases	439,250	-	-	-	439,250
<b>Total Deferred Inflows of Resources</b>	<b>439,250</b>	<b>2,370,958</b>	<b>-</b>	<b>1,000</b>	<b>2,811,208</b>
<b>FUND BALANCES</b>					
Nonspendable	592,832	-	-	3,033,080	3,625,912
Restricted	96,846	-	7,483,601	153,664	7,734,111
Assigned	3,500,000	-	-	252,737	3,752,737
Unassigned	(1,871,563)	(226,770)	-	-	(2,098,333)
<b>Total Fund Balances</b>	<b>2,318,115</b>	<b>(226,770)</b>	<b>7,483,601</b>	<b>3,439,481</b>	<b>13,014,427</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 18,884,725</b>	<b>\$ 9,685,750</b>	<b>\$ 8,326,683</b>	<b>\$ 3,671,636</b>	<b>\$ 40,568,794</b>

*See Notes to Financial Statements*

# CITY OF ELMIRA

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2024

<b>Total Governmental Fund Balances</b>		<b>\$</b>	<b>13,014,427</b>
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	\$	734,639	
Depreciable Capital Assets		150,255,556	
Accumulated Depreciation		(75,869,860)	
Intangible Lease Assets		777,396	
Accumulated Amortization Intangible Lease Assets		(413,536)	
Subscription Assets		478,405	
Accumulated Amortization Subscription Assets		<u>(256,026)</u>	75,706,574
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			
			2,371,958
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.			
			437,573
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			(14,806,624)
Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represent an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.			
Deferred Charges on Defeased Debt	\$	46,690	
Deferred Outflows of Resources - Pensions		14,345,960	
Deferred Outflows of Resources - OPEB		8,033,593	
Deferred Inflows of Resources - Pensions		(6,310,804)	
Deferred Inflows of Resources - OPEB		<u>(13,296,170)</u>	2,819,269
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	\$	(41,573,398)	
Accrued Interest on Long-Term Debt		(306,628)	
Pension Obligations		(698,053)	
Workers' Compensation Liability		(366,167)	
Compensated Absences		<u>(4,070,038)</u>	(47,014,284)
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	\$	(26,491,451)	
Lease Liabilities		(356,123)	
Subscription Liabilities		<u>(197,111)</u>	<u>(27,044,685)</u>
<b>Net Position of Governmental Activities</b>			<b><u>\$ 5,484,208</u></b>

*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, 2024

	Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Fund Special Grant Fund	Capital Projects Fund		
<b>REVENUES</b>					
Real Property Taxes	\$ 14,554,562	\$ -	\$ -	\$ -	\$ 14,554,562
Real Property Tax Items	761,585	-	-	-	761,585
Nonproperty Tax Items	6,386,779	-	-	-	6,386,779
Departmental Income	3,698,551	85,156	-	195,243	3,978,950
Intergovernmental Charges	787,776	-	-	-	787,776
Use of Money and Property	1,071,971	42,433	409,262	133,115	1,656,781
Licenses and Permits	328,224	-	-	-	328,224
Fines and Forfeitures	73,708	-	-	-	73,708
Sale of Property and Compensation for Loss	110,421	-	-	-	110,421
Miscellaneous Local Sources	102,076	(21,753)	300,000	148,033	528,356
Interfund Revenues	39,077	-	157,073	-	196,150
State Sources	5,949,735	181,236	1,583,280	-	7,714,251
Federal Sources	7,831,863	2,635,220	175,471	-	10,642,554
<b>Total Revenues</b>	<b>41,696,328</b>	<b>2,922,292</b>	<b>2,625,086</b>	<b>476,391</b>	<b>47,720,097</b>
<b>EXPENDITURES</b>					
General Governmental Support	4,116,424	-	-	-	4,116,424
Public Safety	14,876,997	-	-	-	14,876,997
Transportation	1,675,950	-	-	-	1,675,950
Economic Assistance and Opportunity	213,680	223,669	-	-	437,349
Culture and Recreation	970,302	-	-	-	970,302
Home and Community Services	8,796,832	2,625,175	-	334,081	11,756,088
Employee Benefits	12,104,564	-	-	15,334	12,119,898
Debt Service:					
Principal	380,926	-	-	3,086,380	3,467,306
Interest	87,047	-	-	986,726	1,073,773
Capital Outlay	-	-	6,560,728	-	6,560,728
<b>Total Expenditures</b>	<b>43,222,722</b>	<b>2,848,844</b>	<b>6,560,728</b>	<b>4,422,521</b>	<b>57,054,815</b>
Excess of Revenues (Expenditures)	(1,526,394)	73,448	(3,935,642)	(3,946,130)	(9,334,718)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	726,015	-	459,956	4,227,382	5,413,353
Interfund Transfers (Out)	(4,585,062)	-	(726,015)	(102,276)	(5,413,353)
Premium on Obligations	-	-	-	106,189	106,189
Proceeds of Obligations	246,317	-	3,463,968	-	3,710,285
<b>Total Other Financing Sources (Uses)</b>	<b>(3,612,730)</b>	<b>-</b>	<b>3,197,909</b>	<b>4,231,295</b>	<b>3,816,474</b>
Net Change in Fund Balances	(5,139,124)	73,448	(737,733)	285,165	(5,518,244)
Fund Balances (Deficit), Beginning of Year	7,457,239	(300,218)	8,221,334	3,154,316	18,532,671
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 2,318,115</b>	<b>\$ (226,770)</b>	<b>\$ 7,483,601</b>	<b>\$ 3,439,481</b>	<b>\$ 13,014,427</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, 2024

**Net Change in Fund Balances - Total Governmental Funds** **\$ (5,518,244)**

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	\$ 13,188,369	
Depreciation Expense	(4,827,544)	
Amortization Expense	(383,332)	
Net Book Value of Disposed Assets	<u>(1,999,649)</u>	5,977,844

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. (124,713)

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	\$ (106,189)	
Proceeds of Obligations	(3,296,500)	
Principal Payments	3,086,380	
Proceeds of Subscription Assets	(246,317)	
Subscription Payments	182,852	
Proceeds of Lease Assets	(167,468)	
Lease Payments	<u>175,451</u>	(371,791)

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 (32,103)

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 189,739

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	\$ 25,190	
Compensated Absences	(322,213)	
Pension Obligations and Workers' Compensation Liability	<u>73,867</u>	(223,156)

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	\$ (1,528,607)	
OPEB	<u>(1,658,723)</u>	(3,187,330)

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. 20,657

**Change in Net Position of Governmental Activities** **\$ (3,269,097)**

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF PROPRIETARY NET POSITION DECEMBER 31, 2024**

	<u>Self-Insurance Fund</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents - Unrestricted	\$ 252
Temporary Investments - Unrestricted	437,321
<b>Total Current Assets</b>	<u>437,573</u>
<b>Total Assets</b>	<u>437,573</u>
<b>NET POSITION</b>	
Unrestricted	<u>437,573</u>
<b>Total Net Position</b>	<u><u>\$ 437,573</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, 2024**

	<u>Self-Insurance Fund</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	\$ 20,657
<b>Total Nonoperating Revenues</b>	<u>20,657</u>
Change in Net Position	<u>20,657</u>
Total Net Position, Beginning of Year	<u>416,916</u>
<b>Total Net Position, End of Year</b>	<u><u>\$ 437,573</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u><b>Self-Insurance Fund</b></u>
<b>Cash Flows From Investing Activities</b>	
Interest Income Received	\$ 20,657
Purchase of Investments	<u>(20,645)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>12</u>
Net Change Cash and Cash Equivalents	<u>12</u>
Cash and Cash Equivalents, Beginning of Year	<u>240</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 252</u></u>
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities:	
(Decrease) Increase Due to Other Funds	<u>\$ -</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ -</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2024**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents - Unrestricted	<u>\$ 65,172</u>
<b>Total Assets</b>	<u><u>\$ 65,172</u></u>
<b>LIABILITIES</b>	
Other Liabilities	<u>\$ 65,172</u>
<b>Total Liabilities</b>	<u>65,172</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	<u>-</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 65,172</u></u>

*See Notes to Financial Statements*

# ***CITY OF ELMIRA***

## **STATEMENT OF CHANGES IN FIDICIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Fire and Police Deposits	\$ 46,793
<b>Total Additions</b>	<u>46,793</u>
<b>DEDUCTIONS</b>	
Fire Insurance Tax	<u>46,793</u>
<b>Total Deductions</b>	<u>46,793</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, 2024**

### ***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, 2024**

### ***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 separately 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, 2024**

### ***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, 2024. 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, 2024**

### ***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, 2024**

### ***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, 2024**

### ***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, 2024**

### ***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 reports 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, 2024**

### ***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, 2024**

### ***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. Consistent with GASB Statement No. 101, "Compensated Absences," a liability is recognized when the leave is attributed to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay rates in effect as of the financial statement date and includes salary-related payments, where applicable.

#### **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.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

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

#### **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.

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. Healthcare 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.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

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

#### **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.

#### **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.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

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

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

- 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.
- 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, 2024**

### ***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 Standard**

The City adopted and implemented the following current statement of the GASB effective for the year ended December 31, 2024:

- GASB has issued Statement No. 101, "Compensated Absences."

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

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

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

- GASB has issued Statement No. 102, “Certain Risk Disclosures,” effective for the year ending December 31, 2025.
- GASB has issued Statement No. 103, “Financial Reporting Model Improvements,” effective for the year ending December 31, 2026.
- GASB has issued Statement No. 104, “Disclosure of Certain Capital Assets,” effective for the year ending December 31, 2026.

The City will evaluate the impact future pronouncements 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, 2024, the Government-Wide Statement of Net Position had an unrestricted deficit net position of \$46,228,152. 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, 2024, the Special Grant Fund had a deficit fund balance of \$226,770, and the General Fund had a deficit unassigned fund balance of \$1,871,563. These are 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.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

**Note 3 Cash and Investments - Continued**

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.

Deposits and investments are valued at cost plus accrued interest.

The primary government’s total financial institution (bank) balance, excluding investments, at December 31, 2024 was \$14,804,832.

Total financial institution (bank) balances for the discretely presented component unit at December 31, 2024 were as follows:

<b>Component Unit</b>	<b>Bank Balances</b>	<b>Carrying Value</b>
Elmira Water Board	\$ 5,648,255	\$ 5,672,624

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	\$ 7,134,490	\$ 7,134,490	See Below
Capital Project Fund	4,275,290	4,275,290	Certificate of Deposit
Self-Insurance Fund	437,321	437,321	Certificate of Deposit
Permanent Fund	2,926,809	3,033,080	See Below
<b>Total</b>	<b>\$ 14,773,910</b>	<b>\$ 14,880,181</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, 2024

**Note 3 Cash and Investments - Continued**

The City has the following recurring fair value measurements as of December 31, 2024:

<u>Investments</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level</u>
Cash, Money Market Funds, and Government Obligations	\$ 228,940	\$ 228,940	(1)
Certificates of Deposit	11,847,101	11,847,101	(2)
Equities	1,105,745	1,284,379	(1)
Mutual Funds	1,592,124	1,519,761	(1)
<b>Total</b>	<b><u>\$ 14,773,910</u></b>	<b><u>\$ 14,880,181</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	2,694,314	6,979,005
Home and Community	222,588	-
Debt Service	106,189	-
Capital Projects	3,807,887	4,275,290
Cities Rise	750,517	-
Subtotal	7,678,341	11,254,295
Cemetery Maintenance	-	3,033,080
<b>Total</b>	<b><u>\$ 7,678,341</u></b>	<b><u>\$ 14,287,375</u></b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### *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, 2024 restricted cash totaled \$1,187,374, of which \$300,275 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, 2024:

New York State Employee's Retirement Reserve Fund	\$ 447,010
Employee Benefit Reserve Fund	95,601
Capital Reserve Fund	300,275
Debt Service Fund	<u>344,488</u>
<b>Total</b>	<b><u>\$ 1,187,374</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 November 30 of the subsequent year.

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

Due from state and federal governments at December 31, 2024 is as follows:

Highway Project Reimbursements	\$ 92,601
Community Development Block Grant	1,716,577
Home Investment Partnership Program	1,846,180
LEAD Hazard Grant	477,035
Other	<u>77,306</u>
<b>Total</b>	<b><u>\$ 4,209,699</u></b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### Note 6 Capital Assets

A summary of changes in the City's capital assets at December 31, 2024 follows:

<u>Governmental Activities</u>	<u>Balance at December 31, 2023</u>	<u>Additions</u>	<u>Deletions/ Reclassifications</u>	<u>Balance at December 31, 2024</u>
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 734,639	\$ -	\$ -	\$ 734,639
<b>Total Non-Depreciable Capital Assets</b>	<u>734,639</u>	<u>-</u>	<u>-</u>	<u>734,639</u>
<b>Depreciable Capital Assets</b>				
Buildings	14,082,323	-	(980,193)	13,102,130
Improvements	4,674,312	5,595,653	(443,019)	9,826,946
Machinery and Equipment	13,035,002	2,848,852	(1,534,207)	14,349,647
Infrastructure	109,030,730	4,330,079	(383,976)	112,976,833
<b>Total Depreciable Capital Assets</b>	<u>140,822,367</u>	<u>12,774,584</u>	<u>(3,341,395)</u>	<u>150,255,556</u>
Intangible Lease Assets - Equipment	609,928	167,468		777,396
Subscription Assets	232,088	246,317	-	478,405
<b>Total Lease and Subscription Assets</b>	<u>842,016</u>	<u>413,785</u>	<u>-</u>	<u>1,255,801</u>
<b>Total Historical Cost</b>	<u>142,399,022</u>	<u>13,188,369</u>	<u>(3,341,395)</u>	<u>152,245,996</u>
<b>Less: Accumulated Depreciation</b>				
Buildings	(12,445,837)	(55,662)	-	(12,501,499)
Improvements	(2,224,186)	(471,361)	255,221	(2,440,326)
Machinery and Equipment	(7,799,395)	(1,077,352)	613,622	(8,263,125)
Infrastructure	(49,914,644)	(3,223,169)	472,903	(52,664,910)
<b>Total Accumulated Depreciation</b>	<u>(72,384,062)</u>	<u>(4,827,544)</u>	<u>1,341,746</u>	<u>(75,869,860)</u>
Intangible Lease Assets - Equipment	(233,966)	(179,570)		(413,536)
Subscription Assets	(52,264)	(203,762)	-	(256,026)
<b>Total Accumulated Amortization</b>	<u>(286,230)</u>	<u>(383,332)</u>	<u>-</u>	<u>(669,562)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 69,728,730</u></u>	<u><u>\$ 7,977,493</u></u>	<u><u>\$ (1,999,649)</u></u>	<u><u>\$ 75,706,574</u></u>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**Note 6 Capital Assets - Continued**

Depreciation and amortization expense was charged to functions as follows:

**Governmental Activities**

General Governmental Support	\$ 271,589
Public Safety	686,632
Transportation	3,585,886
Economic Assistance and Opportunity	190,935
Culture and Recreation	357,591
Home and Community Services	<u>118,243</u>

**Total** **\$ 5,210,876**

A summary of changes in the Elmira Water Board's capital assets follows:

Type	Balance at December 31, 2023	Additions	Deletions	Balance at December 31, 2024
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 510,227	\$ 110,900	\$ -	\$ 621,127
Construction in Progress	-	91,035	-	91,035
<b>Total Non-Depreciable Capital Assets</b>	<u>510,227</u>	<u>201,935</u>	<u>-</u>	<u>712,162</u>
<b>Depreciable Capital Assets</b>				
Source of Supply	4,521,694	-	-	4,521,694
Power and Pumping	4,222,958	14,956	-	4,237,914
Purification and Treatment	16,118,142	31,745	-	16,149,887
Distribution	37,718,348	1,741,793	(57,591)	39,402,550
Other	4,538,609	231,992	(6,919)	4,763,682
<b>Total Depreciable Capital Assets</b>	<u>67,119,751</u>	<u>2,020,486</u>	<u>(64,510)</u>	<u>69,075,727</u>
Less: Accumulated Depreciation	<u>(34,048,208)</u>	<u>(1,271,695)</u>	<u>28,248</u>	<u>(35,291,655)</u>
<b>Elmira Water Board Capital Assets, Net</b>	<b><u><u>\$ 33,581,770</u></u></b>	<b><u><u>\$ 950,726</u></u></b>	<b><u><u>\$ (36,262)</u></u></b>	<b><u><u>\$ 34,496,234</u></u></b>

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

### ***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 includes 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, 2024**

**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>2024</b>	<b>2023</b>	<b>2022</b>
ERS	\$ 498,441	\$ 499,249	\$ 394,419
PFRS	<b>3,282,163</b>	2,797,312	2,920,250
ERS - EWB	<b>429,741</b>	354,445	300,112

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

At December 31, 2024, 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, 2024. 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	April 1, 2023	April 1, 2023
Net Pension (Asset)/Liability	\$ 14,724,050,185	\$ 4,742,822,088
City's Proportionate Share of the		
Plan's Total Net Pension (Asset)/Liability	1,769,179	13,037,445
City's Share of the Net Pension (Asset)/Liability	0.0112183%	0.2748878%
Elmira Water Board's Proportionate Share of		
the Plan's Total Net Pension (Asset)/Liability	1,319,808	-
Elmira Water Board's Share of the		
Net Pension (Asset)/Liability	0.0089533%	-

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**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, 2024, the City recognized pension expense of \$770,670 for ERS and \$4,341,128 for PFRS in the Government-Wide financial statements. The Elmira Water Board recognized pension expense of \$574,874 for ERS.

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

	City - ERS	City - PFRS	EWB - ERS
<b>Deferred Outflows of Resources</b>			
Differences Between Expected and			
Actual Experience	\$ 569,852	\$ 4,016,662	\$ 424,622
Changes in Assumptions	668,886	4,917,735	498,418
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	-	-	-
Changes in Proportion and Differences			
Between the City's Contributions and Proportionate Share of Contributions	611,989	521,299	491,786
City's Contributions Subsequent to the Measurement Date	373,825	2,665,712	429,741
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,224,552</b>	<b>\$ 12,121,408</b>	<b>\$ 1,844,567</b>
<b>Deferred Inflows of Resources</b>			
Differences Between Expected and			
Actual Experience	\$ 48,240	\$ -	\$ 35,946
Changes in Assumptions	-	-	-
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	864,234	3,539,037	643,980
Changes in Proportion and Differences Between the City's Contributions and Proportionate Share of Contributions	615,089	1,244,204	493,769
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,527,563</b>	<b>\$ 4,783,241</b>	<b>\$ 1,173,695</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**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, 2025. 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>
2025	\$ (315,344)	\$ (1,153,964)	\$ (236,365)
2026	339,209	3,729,883	254,079
2027	510,357	2,065,904	381,168
2028	(211,058)	(399,875)	(157,751)
2029	-	430,507	-
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, 2024	March 31, 2024
Actuarial Valuation Date	April 1, 2023	April 1, 2023
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, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### *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, 2024
<b>Asset Type</b>	
Domestic Equities	4.0%
International Equities	6.7%
Private Equities	7.3%
Real Estate	4.6%
Opportunistic Portfolio/ARC Portfolio	5.3%
Credit	5.4%
Real Assets	5.8%
Fixed Income	1.5%
Cash	0.3%

#### 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, 2024

**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	\$ 4,144,856	\$ 1,319,808	\$ (1,042,469)
City's Proportionate Share of the Net Pension (Asset)/Liability	5,562,479	1,769,179	(1,399,013)
<b>PFRS</b>	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
City's Proportionate Share of the Net Pension (Asset)/Liability	\$30,471,566	\$ 13,037,445	\$ (1,365,687)

**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, 2024	March 31, 2024
Employers' Total Pension Liability	\$240,696,851	\$ 46,137,717
Plan Net Position	(225,972,801)	(41,394,895)
<b>Employers' Net Pension (Asset)/Liability</b>	<b>\$ 14,724,050</b>	<b>\$ 4,742,822</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	93.9%	89.7%

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**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, 2024 represent the projected employer contribution for the period of April 1, 2024 through December 31, 2024 based on estimated wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2024 amounted to \$-0- for ERS and \$2,668,712 for PFRS, which is reported within accrued liabilities.

**Current Year Activity**

The following is a summary of current year activity:

City - ERS	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ 2,874,487	\$ (1,105,308)	\$ 1,769,179
Deferred Outflows of Resources	(2,823,188)	598,636	(2,224,552)
Deferred Inflows of Resources	755,722	771,841	1,527,563
<b>Total</b>	<b>\$ 807,021</b>	<b>\$ 265,169</b>	<b>\$ 1,072,190</b>

PFRS	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ 16,420,949	\$ (3,383,504)	\$ 13,037,445
Deferred Outflows of Resources	(12,691,563)	570,155	(12,121,408)
Deferred Inflows of Resources	706,454	4,076,787	4,783,241
<b>Total</b>	<b>\$ 4,435,840</b>	<b>\$ 1,263,438</b>	<b>\$ 5,699,278</b>

EWB - ERS	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ 1,987,400	\$ (667,592)	\$ 1,319,808
Deferred Outflows of Resources	(2,084,770)	240,203	(1,844,567)
Deferred Inflows of Resources	552,710	620,985	1,173,695
<b>Total</b>	<b>\$ 455,340</b>	<b>\$ 193,596</b>	<b>\$ 648,936</b>

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

### ***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, 2024, the total outstanding indebtedness of the City, including the Elmira Water Board, aggregated to \$27,142,814. Of this amount, \$25,433,340 was subject to the City's constitutional debt limit, and represented approximately 49.5% 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 accumulated hours earned that will be used or paid out to employees.
- Pension obligations represent the supplemental retirement payment for employees under General Municipal Law §207a: \$698,053; 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, 2024

### 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, 2024:

	Payable at December 31, 2023	Additions	Deletions	Payable at December 31, 2024	Amount Due Within One Year
Bonds	\$ 25,223,220	\$ 3,296,500	\$ (3,086,380)	\$ 25,433,340	\$ 2,857,740
Unamortized Premium	1,141,661	106,189	(189,739)	1,058,111	163,765
<b>Total Bonds</b>	<u>26,364,881</u>	<u>3,402,689</u>	<u>(3,276,119)</u>	<u>26,491,451</u>	<u>3,021,505</u>
Pension Obligations - §207	749,297	-	(51,244)	698,053	51,244
Workers' Compensation Liability	388,790	-	(22,623)	366,167	23,311
Lease Liabilities	364,106	167,468	(175,451)	356,123	133,334
Subscription Liabilities	133,646	246,317	(182,852)	197,111	168,989
Compensated Absences	3,747,825	322,213	-	4,070,038	2,216,602
<b>Total</b>	<u>\$ 31,748,545</u>	<u>\$ 4,138,687</u>	<u>\$ (3,708,289)</u>	<u>\$ 32,178,943</u>	<u>\$ 5,614,985</u>

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Deferred Charges on Defeased Debt	\$ (78,793)	\$ -	\$ 32,103	\$ (46,690)	\$ (20,309)
<b>Total</b>	<u>\$ (78,793)</u>	<u>\$ -</u>	<u>\$ 32,103</u>	<u>\$ (46,690)</u>	<u>\$ (20,309)</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 \$3,185,843 at December 31, 2024.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### Note 9 Long-Term Debt - Continued

#### Summary of Serial Bonds

As of December 31, 2024, 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%	\$ 280,000
2014 Advance Refunding Bond	03/2014	08/2027	1.75-5.00%	290,000
2015 Public Improvement	05/2015	05/2025	2.00-2.15%	320,440
2016 Public Improvement	07/2016	07/2031	3.00-3.25%	1,570,000
2019 Public Improvement	07/2019	07/2033	5.00%	3,585,000
2020 Public Improvement	07/2020	07/2035	5.00%	3,595,000
2021 Advance Refunding Bond	08/2021	05/2029	2.00-4.00%	2,926,400
2021 Public Improvement	07/2021	01/2039	2.00-2.125%	3,415,000
2022 Public Improvement	06/2022	09/2037	3.375-4.00%	2,705,000
2023 Public Improvement	05/2023	09/2041	4.00%	3,450,000
2024 Public Improvement	05/2024	09/2039	4.00%	3,296,500
Subtotal Bonds				<u>25,433,340</u>
Unamortized Premium				<u>1,058,111</u>
<b>Total Bonds</b>				<b><u>\$ 26,491,451</u></b>

Interest expense on long-term debt is calculated as follows:

Interest Paid	\$ 1,073,773
Amortization of Deferred Charges on Defeased Debt	32,103
Less: Amortization of Premium	(189,739)
Less: Interest Accrued in Prior Year	(331,818)
Interest Accrued in Current Year	<u>306,628</u>
<b>Total</b>	<b><u>\$ 890,947</u></b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**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, 2024:

Year	Serial Bonds		Total Serial Bonds
	Principal	Interest	
2025	\$ 2,857,740	\$ 1,020,825	\$ 3,878,565
2026	2,382,200	872,812	3,255,012
2027	2,330,400	780,654	3,111,054
2028	2,029,000	692,889	2,721,889
2029	2,079,000	611,262	2,690,262
2030-2034	8,315,000	1,957,519	10,272,519
2035-2039	4,910,000	571,154	5,481,154
2040-2041	530,000	32,000	562,000
<b>Total</b>	<b>\$ 25,433,340</b>	<b>\$ 6,539,115</b>	<b>\$ 31,972,455</b>

Year	Pension Obligations - §207		Workers' Compensation		Total Pension and Workers' Compensation Amortization
	Principal	Interest	Principal	Interest	
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	51,244	-	26,279	7,585	85,108
2030-2034	198,131	-	143,884	25,436	367,451
2035-2039	185,090	-	98,418	4,328	287,836
2040-2041	58,612	-	-	-	58,612
<b>Total</b>	<b>\$ 698,053</b>	<b>\$ -</b>	<b>\$ 366,167</b>	<b>\$ 75,219</b>	<b>\$ 1,139,439</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 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, 2024:

	Year Ended December 31, 2024		
	Interest Payments	Principal Payments	Balance at December 31, 2024
Bond payable in annual installments varying from \$135,000 to \$155,000 through August 2027 plus interest varying from 3.375% to 5.00%, payable semi-annually (Refinanced in 2014).	\$ 22,744	\$ 130,000	\$ 435,000
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.	24,844	115,000	563,600
Bond payable in annual installments varying from \$53,120 to \$54,560 through May 2025 plus interest varying from 2.00% to 2.125%, payable semi-annually .	1,724	53,120	54,560
Bonds paid in 2024	-	145,000	-
Total Principal and Interest	<b>\$ 49,312</b>	<b>\$ 443,120</b>	
Total Bonds Payable			1,053,160
Unamortized Bond Premium			34,713
Less: Current Portion			(308,760)
<b>Total</b>			<b>\$ 779,113</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 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, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at December 31, 2024</b>
Bonds	\$ 1,496,280	\$ -	\$ (443,120)	\$ 1,053,160
Bond Premium	50,854	34,713	(50,854)	34,713
<b>Total</b>	<b>\$ 1,547,134</b>	<b>\$ 34,713</b>	<b>\$ (493,974)</b>	<b>\$ 1,087,873</b>

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

	<b>2024</b>
Current Portion	\$ 308,760
Noncurrent Portion	779,113
<b>Total</b>	<b>\$ 1,087,873</b>

A summary of maturing debt service requirements follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 308,760	\$ 37,809	\$ 346,569
2026	267,800	25,639	293,439
2027	284,600	15,697	300,297
2028	96,000	5,760	101,760
2029	96,000	1,920	97,920
<b>Total</b>	<b>\$ 1,053,160</b>	<b>\$ 86,825</b>	<b>\$ 1,139,985</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**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, 2024 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2024</u>
Vehicle - Dodge, Durango	04/08/2024	04/07/2028	2.46%	\$ 137,167
Equipment - Axon, Taser	08/01/2023	10/31/2024	1.40%	66,967
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	27,424
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	27,424
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	7,998
Vehicle - Ford, Escape	01/01/2022	04/14/2026	1.48%	7,998
Vehicle - Ford, Escape	01/01/2022	10/31/2026	1.55%	11,117
Vehicle - Ford, Escape	10/11/2022	10/10/2027	3.96%	21,195
Vehicle - Ford, F-250	01/01/2022	11/30/2025	1.48%	5,858
Vehicle - Ford, Police Interceptor Utility	01/01/2022	04/14/2025	1.40%	4,599
Vehicle - Ford, Police Interceptor Utility	01/01/2022	10/31/2025	1.48%	11,176
Vehicle - Ford, Police Interceptor Utility	10/11/2022	10/10/2026	3.76%	27,200
<b>Total</b>				<b>\$ 356,123</b>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 133,334	\$13,358	\$ 146,692
2026	107,516	8,718	116,234
2027	88,855	4,404	93,259
2028	26,418	917	27,335
<b>Total</b>	<b>\$ 356,123</b>	<b>\$27,397</b>	<b>\$ 383,520</b>

Interest paid for the current year amounts to \$17,137.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

**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, 2024 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2024</u>
Land Lease - Baseball Field	01/01/2022	12/31/2026	1.55%	\$ 35,156
Land Lease - Billboard	01/01/2022	07/31/2033	1.97%	202,562
Land Lease - Billboard	01/01/2022	12/31/2037	2.13%	211,874
Land Lease - La France	02/14/2023	08/14/2025	3.33%	5,531
Land Lease - Casa Trinity	11/11/2023	10/31/2026	3.59%	965
<b>Total</b>				<b><u>\$ 456,088</u></b>

The following is a summary of future lease receivables:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	42,909	5,029	47,938
2030-2034	169,531	12,481	182,012
2035-2037	56,075	1,225	57,300
<b>Total</b>	<b><u>\$ 456,088</u></b>	<b><u>\$ 47,464</u></b>	<b><u>\$ 503,552</u></b>

The City recognized lease revenue of \$62,423 and interest income of \$9,856 for the year ended December 31, 2024. The total of leases receivable is offset by a deferred inflow of resources totaling \$439,250.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

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

The City follows GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.” when accounting for 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, 2024 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2024</u>
Axon - Evidence.com Storage	07/01/2023	06/30/2027	3.33%	\$ 40,179
Axon - Taser 7 - Evidence.com	08/01/2023	07/31/2028	3.26%	11,141
CivicPlus - CivicEngage	06/30/2024	06/30/2025	3.52%	5,303
iWorQ Systems, Inc.	01/01/2023	12/31/2025	3.15%	17,926
Locality Media, Inc	10/31/2023	01/31/2026	2.82%	25,656
Flock Safety	01/01/2024	12/31/2025	3.14%	96,906
<b>Total</b>				<b><u>\$ 197,111</u></b>

The following is a summary of future subscription liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 168,989	\$ 1,420	<b>\$ 170,409</b>
2026	24,132	551	<b>24,683</b>
2027	3,990	78	<b>4,068</b>
<b>Total</b>	<b><u>\$ 197,111</u></b>	<b><u>\$ 2,049</u></b>	<b><u>\$ 199,160</u></b>

Interest paid for the current year amounts to \$5,954.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 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, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	132
Inactive Employees Entitled to	
but Not Yet Receiving Benefit Payments	-
Active Employees	<u>208</u>
<b>Total</b>	<b><u>340</u></b>

#### Total OPEB Liability

The City's total OPEB liability of \$41,573,398 was measured on January 1, 2024 and determined by an actuarial valuation as of January 1, 2024.

# ***CITY OF ELMIRA***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024**

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

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

The total OPEB liability in the January 1, 2024 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	3.26%
Salary Scale	3.00%
Rate of Inflation	2.70%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	6.8% for 2025, decreasing to an ultimate rate of 4.14% for 2094 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 rates were based on the experience under the New York State Employees' Retirement System (ERS). The ERS rates are based on the study released by the Retirement Systems Actuary and published in their August 2020 report.

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, 2024 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, 2024

### 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, 2023</b>	<b>\$ 42,915,201</b>
<b>Changes for the Year</b>	
Service Cost	1,839,933
Interest Cost	1,629,414
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(7,054,564)
Changes in Assumptions	4,150,769
Benefit Payments	(1,907,355)
Net Change	(1,341,803)
<b>Balance at December 31, 2024</b>	<b>\$ 41,573,398</b>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.72% in 2023 to 3.26% in 2024.

#### 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 (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
Total OPEB Liability	\$ 48,371,511	\$ 41,573,398	\$ 36,156,726

#### 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	\$ 35,159,051	\$ 41,573,398	\$ 49,977,852

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 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, 2024, the City recognized OPEB expense of \$3,173,015.

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	\$ 467,694	\$ 6,251,083
Changes in Assumptions or Other Inputs	6,051,607	7,045,087
Contributions Subsequent to Measurement Date	1,514,292	-
<b>Total</b>	<b>\$ 8,033,593</b>	<b>\$13,296,170</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, 2025. 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>
2025	\$ 300,704
2026	(936,095)
2027	(1,646,065)
2028	(1,646,065)
2029	(1,515,772)
2030 and Thereafter	(1,333,576)

#### 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	\$ 42,915,201	\$ (1,341,803)	\$ 41,573,398
Deferred Outflows of Resources	(7,082,384)	(951,209)	(8,033,593)
Deferred Inflows of Resources	9,344,435	3,951,735	13,296,170
<b>Total</b>	<b>\$ 45,177,252</b>	<b>\$ 1,658,723</b>	<b>\$ 46,835,975</b>

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

**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 \$1,910,215 as of December 31, 2024. The total OPEB liability at December 31, 2024 was measured at January 1, 2024 and determined by an actuarial valuation as of January 1, 2024.

**EWB - Actuarial Assumptions and Other Inputs**

The total OPEB liability in the January 1, 2024 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	3.26%
Salary Scale	3.00%
Rate of Inflation	2.70%
Healthcare Cost Trend Rate	6.80% to 4.14% in 2094
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.

**Note 13 Interfund Activity**

Individual fund balances as of December 31, 2024 were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>	<b>Interfund Revenues</b>	<b>Interfund Expenditures</b>
<b>Governmental Funds</b>				
Major Funds:				
General Fund	\$ 545,129	\$ 179,968	\$ 726,015	\$ 4,585,062
Special Grant Fund	13,001	113,130	-	-
Capital Projects Fund	25,000	443,696	459,956	726,015
Non-Major Funds	153,664	-	4,227,382	102,276
<b>Total</b>	<b>\$ 736,794</b>	<b>\$ 736,794</b>	<b>\$ 5,413,353</b>	<b>\$ 5,413,353</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, 2024

**Note 14 Fund Balances**

**Fund Balance Detail**

At December 31, 2024, 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	\$ 592,832	\$ -	\$ -
Permanent Fund Principal	-	-	3,033,080
<b>Total Nonspendable Fund Balance</b>	<b>\$ 592,832</b>	<b>\$ -</b>	<b>\$ 3,033,080</b>
<b>Restricted</b>			
Insurance Reserves	\$ 96,846	\$ -	\$ -
Capital Projects	-	7,483,601	-
Other Restricted Fund Balance	-	-	47,475
Debt	-	-	106,189
<b>Total Restricted Fund Balance</b>	<b>\$ 96,846</b>	<b>\$ 7,483,601</b>	<b>\$ 153,664</b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 3,500,000	\$ -	\$ -
Remaining Fund Balance	-	-	252,737
<b>Total Assigned Fund Balance</b>	<b>\$ 3,500,000</b>	<b>\$ -</b>	<b>\$ 252,737</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, 2024 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, 2024**

### ***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, 2024, this amount totaled \$300,275 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 \$175,000.

### ***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, 2024, 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, 2024**

**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, 2024 is as follows:

	<u>Tax Value</u>	<u>Amount Received</u>	<u>Taxes Abated</u>
<b>Chemung County IDA</b>			
Economic Development	\$ 821,368	\$ 247,806	\$ 573,562
§581a Program	422,602	129,766	292,836
<b>Total</b>	<b><u>\$1,243,970</u></b>	<b><u>\$ 377,572</u></b>	<b><u>\$ 866,398</u></b>

**Note 18 Coronavirus State and Local Fiscal Recovery Funds**

During the year the City earned \$7,704,892 of the Coronavirus State and Local Fiscal Recovery Funds received as part of the American Rescue Plan. This leaves \$9,390,372 of unearned revenue. These funds are accounted for and reported within the General Fund.

**Note 19 Subsequent Events**

On March 7, 2025, the City Issued Tax Anticipation Notes totaling \$4,000,000, comprised of \$1,000,000 at an interest rate of 4.00% and \$3,000,000 at an interest rate of 4.50%. This is for the purpose of short-term support until previous levied taxes from the County are remitted to the City over the course of the year.

On May 15, 2025, the City issued serial bonds totaling \$3,498,798 at an interest rate of 4% to finance various equipment and infrastructure improvements.

# CITY OF ELMIRA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### *Note 20* **Restatement**

During the year, the City implemented GASB Statement No. 101, “Compensated Absences,” resulting in a change in accounting principle. Additionally, the City conducted a physical inventory of its capital assets. This comprehensive review identified discrepancies in capital assets previously reported. In accordance with GASB No. 100, beginning net position has been restated for a change in accounting principle as well as corrected balances for capital assets.

The following is a summary of the changes in net position, compensated absences, and capital assets, net as of December 31, 2023:

	<u>Net Position (Deficit)</u>	<u>Compensated Absences</u>	<u>Capital Assets, Net</u>
<b>Balance as Previously Reported</b>	\$ (36,195,430)	\$ 2,751,800	\$ 67,748,143
Compensated Absences Adjustment	(996,025)	996,025	-
Fixed Asset Adjustment	<u>1,980,587</u>	<u>-</u>	<u>1,980,587</u>
<b>Restated Balance, December 31, 2023</b>	<b><u><u>\$ (35,210,868)</u></u></b>	<b><u><u>\$ 3,747,825</u></u></b>	<b><u><u>\$ 69,728,730</u></u></b>

# CITY OF ELMIRA

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance
<b>REVENUES</b>					
Real Property Taxes	\$16,370,243	\$16,370,243	\$ 14,554,562	\$ -	\$ (1,815,681)
Real Property Tax Items	602,561	602,561	761,585	-	159,024
Nonproperty Tax Items	7,130,510	7,130,510	6,386,779	-	(743,731)
Departmental Income	4,541,355	4,541,355	3,698,551	-	(842,804)
Intergovernmental Charges	765,073	765,073	787,776	-	22,703
Use of Money and Property	480,900	480,900	1,071,971	-	591,071
Licenses and Permits	538,000	538,000	328,224	-	(209,776)
Fines and Forfeitures	85,500	85,500	73,708	-	(11,792)
Sale of Property and Compensation for Loss	5,250	5,250	110,421	-	105,171
Miscellaneous Local Sources	123,000	123,000	102,076	-	(20,924)
Interfund Revenues	45,960	45,960	39,077	-	(6,883)
State Sources	5,145,561	5,145,561	5,949,735	-	804,174
Federal Sources	16,715,589	16,715,589	7,831,863	-	(8,883,726)
<b>Total Revenues</b>	<b>52,549,502</b>	<b>52,549,502</b>	<b>41,696,328</b>	<b>-</b>	<b>(10,853,174)</b>
<b>EXPENDITURES</b>					
General Governmental Support	4,298,168	4,122,246	4,116,424	-	5,822
Public Safety	14,534,260	14,876,997	14,876,997	-	-
Transportation	2,153,312	1,723,685	1,675,950	-	47,735
Economic Assistance and Opportunity	195,840	220,075	213,680	-	6,395
Culture and Recreation	995,810	995,810	970,302	-	25,508
Home and Community Services	17,692,092	17,678,374	8,796,832	-	8,881,542
Employee Benefits	10,311,049	12,104,564	12,104,564	-	-
Debt Service:					
Principal	22,679	380,926	380,926	-	-
Interest	121,185	87,047	87,047	-	-
<b>Total Expenditures</b>	<b>50,324,395</b>	<b>52,189,724</b>	<b>43,222,722</b>	<b>-</b>	<b>8,967,002</b>
Excess of Revenues (Expenditures)	2,225,107	359,778	(1,526,394)	-	(1,886,172)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	-	-	726,015	-	726,015
Interfund Transfers (Out)	(4,125,107)	(4,585,062)	(4,585,062)	-	-
Proceeds of Obligations	-	246,317	246,317	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,125,107)</b>	<b>(4,338,745)</b>	<b>(3,612,730)</b>	<b>-</b>	<b>726,015</b>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	(1,900,000)	(3,978,967)	(5,139,124)	<b>\$ -</b>	<b>\$ (1,160,157)</b>
Appropriated Fund Balance	1,900,000	3,978,967			
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(5,139,124)</b>		
Fund Balance, Beginning of Year			7,457,239		
<b>Fund Balance, End of Year</b>			<b>\$ 2,318,115</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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 1,839,933	\$ 2,634,288	\$ 1,996,990	\$ 1,795,737	\$ 1,268,887	\$ 1,455,758	\$ 1,505,050	\$ *	\$ *	\$ *
Interest Cost	1,629,414	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	(7,054,564)	-	116,144	-	2,573,132	-	(12,263,329)	*	*	*
Changes in Assumptions or Other Inputs	4,150,769	(8,466,984)	(1,305,307)	4,568,490	5,739,277	(2,531,747)	3,075,760	*	*	*
Benefit Payments	(1,907,355)	(1,994,953)	(2,035,157)	(2,056,421)	(1,927,085)	(1,947,349)	(2,040,240)	*	*	*
	(1,341,803)	(6,770,407)	(929,975)	3,786,923	9,664,117	(1,670,818)	(7,936,463)	*	*	*
Total OPEB Liability - Beginning of Year	42,915,201	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>41,573,398</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>
Covered Employee Payroll	\$ 14,464,055	\$ 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	287%	339%	382%	409%	415%	274%	358%	*	*	*
<b>The Following is a Summary of Changes of Assumptions:</b>										
Health Cost Trend Rates	6.8% to 4.14%	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%	3.00%	*	*	*
Inflation Rate	2.70%	2.50%	2.50%	2.12%	2.74%	2.40%	2.40%	*	*	*
Discount Rate	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	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>2024</u>	<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>Employees' Retirement System</b>										
Contractually Required Contribution	\$ 498,441	\$ 499,249	\$ 394,419	\$ 472,095	\$ 422,579	\$ 510,106	\$ 485,777	\$ 691,934	\$ 967,005	\$ 868,141
Contributions in Relation to the Contractually Required Contribution	(498,441)	(499,249)	(394,419)	(472,095)	(422,579)	(510,106)	(485,777)	(691,934)	(967,005)	(868,141)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
City's Covered Employee Payroll	6,722,749	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
Contributions as a Percentage of Covered Employee Payroll	7.4%	7.4%	6.7%	8.7%	8.4%	11.1%	10.8%	13.1%	21.8%	17.7%
<b>Police and Fire Retirement System</b>										
Contractually Required Contribution	3,282,163	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
Contributions in Relation to the Contractually Required Contribution	(3,282,163)	(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)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
City's Covered Employee Payroll	10,592,734	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
Contributions as a Percentage of Covered Employee Payroll	31.0%	25.6%	29.1%	27.5%	27.6%	24.0%	24.3%	25.7%	24.7%	22.8%

*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,**

	<u>2024</u>	<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>Employees' Retirement System</b>										
City's Proportion of the Net Pension (Asset)/Liability	<b>0.0112183%</b>	0.0134046%	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>\$ 1,769,179</b>	\$ 2,874,487	\$ (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>3,718,396</b>	3,949,303	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>47.58%</b>	72.78%	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>93.9%</b>	90.8%	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>	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	<b>4.40%</b>	4.30%	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	<b>1.50%</b>	1.50%	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%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	<b>5.90%</b>	5.90%	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-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*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>2024</u>	<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>0.2748878%</b>	0.2979953%	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>\$ 13,037,445</b>	\$ 16,420,949	\$ 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>10,932,501</b>	10,479,478	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>119.25%</b>	156.70%	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>89.7%</b>	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%
<b>The following is a Summary of Changes of Assumptions:</b>										
Inflation	<b>2.90%</b>	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	<b>6.20%</b>	5.70%	6.20%	6.20%	5.00%	5.00%	4.50%	4.50%	4.50%	6.00%
Cost of Living Adjustments	<b>1.50%</b>	1.50%	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%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	<b>5.90%</b>	5.90%	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-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*See Notes to Required Supplementary Information*

# ***CITY OF ELMIRA***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2024**

### ***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, 2024.



**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, 2024, 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 24, 2025.

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 24, 2025



**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, 2024. 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, 2024.

**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 24, 2025

# CITY OF ELMIRA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2024

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	\$ 383,216	\$ 1,288,308
(COVID-19) Community Development Block Grants/ Entitlement Grants				
	14.218	N/A	131,747	131,747
Total Community Development Block Grants Entitlement Grants Cluster				
			514,963	1,420,055
Home Investment Partnerships Programs				
	14.239	N/A	-	572,527
Lead Based Paint Hazard Control Program				
	14.900	N/A	-	613,791
<b>Total U.S. Department of Housing and Urban Development</b>				
			514,963	2,606,373
<b>U.S. Department of Justice</b>				
Passed through Office of Victim Services				
Crime Victim Assistance				
	16.575	C100123	-	126,971
<b>Total U.S. Department of Justice</b>				
			-	126,971
<b>U.S. Department of Treasury</b>				
(COVID-19) State and Local Fiscal Recovery Funds				
	21.027	N/A	-	7,704,892
<b>Total U.S. Department of Treasury</b>				
			-	7,704,892
<b>U.S. Department of Transportation</b>				
Passed Through NYS Department of Transportation:				
Highway Planning and Construction				
	20.205	D040477	-	175,471
<b>Total Highway Planning and Construction and U.S. Department of Transportation</b>				
			-	175,471
<b>Total Expenditures of Federal Awards</b>			<b>\$ 514,963</b>	<b>\$ 10,613,707</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, 2024

**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, 2024 under these programs, reported as part of loans receivable in the City's basic financial statements, are as follows:

Loans Receivable - CDBG	\$ 1,317,618
Loans Receivable - AHC	174,857
Loans Receivable - HOME	878,483
Total Loans Receivable	<u>2,370,958</u>
Less: Allowance for Uncollectible Accounts	<u>-</u>
<b>Net Loans Receivable</b>	<b><u>\$ 2,370,958</u></b>

**Note 6 Other Disclosures**

Insurance is carried to cover vehicles purchased with federal funds. Other equipment purchased with federal funds has only 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, 2024

### 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>14.218</u>	<u>Community Development Block/Entitlement Grants</u>
<u>14.218</u>	<u>(COVID-19) Community Development Block/Entitlement Grants</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.**