

CITY OF PLATTSBURGH, NEW YORK
Financial Statements
Year Ended December 31, 2024

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Independent Auditor's Report

To the Mayor and Common Council
City of Plattsburgh
Plattsburgh, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plattsburgh, New York as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Plattsburgh, New York's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plattsburgh, New York, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Plattsburgh, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Plattsburgh, New York'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 of Plattsburgh, New York'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 information, and pension related information on pages 4-16 and 63-68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2025, on our consideration of the City of Plattsburgh, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Plattsburgh, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Plattsburgh, New York's internal control over financial reporting and compliance.

Telling & Hillman, P.C.

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Middlebury, Vermont
August 7, 2025

CITY OF PLATTSBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024

As management of the City of Plattsburgh, New York, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. Other forward-looking indicators will also assist the reader to assess the overall financial health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, building and facilities departments, and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover all or most of the cost of certain services it provides. The City's Municipal Lighting Department is reported here.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City uses three categories of funds - governmental, proprietary, and fiduciary.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains nine governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Capital Projects Fund, Debt Service Fund, Special Grants Fund, Parking Authority Fund, Recreation Fund, Water Fund, Sewer Fund, and Library Fund, all of which are considered major funds.

The General Fund, Debt Service Fund, Parking Authority Fund, Recreation Fund, Water Fund, Sewer Fund, and Library Fund all legally adopt a budget. The Schedules of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual provide comparisons of the original and final budget and the actual expenditures for the current year.

Proprietary funds

The City maintains one proprietary fund that is an enterprise fund. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for the Municipal Lighting Department. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the City. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. Fiduciary funds use the accrual basis of accounting and are reported using the economic resources measurement focus.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide explanations of the accounting principles followed and include tables with more detailed analyses of accounts requiring further clarification. The notes to the financial statements can be found immediately following the basic financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America. The required supplementary information can be found immediately after the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources in the statement of net position by \$130,013 (i.e., net position), a change of \$18,499,628 in comparison to the prior year. The net position of governmental activities was \$(12,217,442) and net position of business-type activities was \$12,347,455.
- As of the close of the current fiscal year, the governmental activities reported total revenue in the statement of activities of \$50,221,670, a change of \$4,839,537 in comparison to the prior year.
- As of the close of the current fiscal year, the business-type activities reported total revenue in the statement of activities of \$22,387,760, a change of \$248,435 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental activities reported total expenses in the statement of activities of \$32,428,456, a change of \$867,916 in comparison to the prior year.
- As of the close of the current fiscal year, the business-type activities reported total expenses in the statement of activities of \$21,681,346 a change of \$1,492,038 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported a combined ending fund balance of \$35,678,373, a change of \$4,672,651 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported total revenue of \$50,931,227, a change of \$5,549,094 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported total expenses of \$82,594,754, a change of \$26,878,162 in comparison to the prior year.
- As of the close of the current fiscal year, the unassigned fund balance for the General Fund was \$7,604,164, a change of \$1,181,045 in comparison to the prior year.
- As of the close of the current fiscal year, proprietary funds reported a combined ending net position of \$12,347,455, a change of \$53,417 in comparison to the prior year.
- As of the close of the current fiscal year, the proprietary funds reported total revenue of \$22,387,760, a change of \$248,435 in comparison to the prior year.
- As of the close of the current fiscal year, the proprietary funds reported total expenses of \$21,681,346, a change of \$1,492,038 in comparison to the prior year.
- As of the close of the current fiscal year, the City reported total outstanding long-term indebtedness of \$42,268,328, a change of \$ (2,030,760) in comparison to the prior year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	(Restated) 2023	2024	2023	2024	(Restated) 2023
Assets						
Current and other assets	\$ 18,677,453	\$ 18,768,746	\$ 4,057,349	\$ 4,509,509	\$ 22,734,802	\$ 23,278,255
Noncurrent assets	159,669,669	151,706,324	32,234,830	33,230,815	191,904,499	184,937,139
Total assets	178,347,122	170,475,070	36,292,179	37,740,324	214,639,301	208,215,394
Deferred outflows of resources	22,643,746	11,032,104	2,943,903	1,484,063	25,587,649	12,516,167
Total assets and deferred outflows of resources	<u>\$ 200,990,868</u>	<u>\$ 181,507,174</u>	<u>\$ 39,236,082</u>	<u>\$ 39,224,387</u>	<u>\$ 240,226,950</u>	<u>\$ 220,731,561</u>
Liabilities						
Current liabilities	\$ 17,580,547	\$ 34,657,296	\$ 4,428,084	\$ 5,152,691	\$ 22,008,631	\$ 39,809,987
Long-term liabilities	159,146,008	129,606,894	19,449,196	17,826,473	178,595,204	147,433,367
Total liabilities	176,726,555	164,264,190	23,877,280	22,979,164	200,603,835	187,243,354
Deferred inflows of resources	36,481,755	47,906,637	3,011,347	3,951,185	39,493,102	51,857,822
Net position						
Net investment in capital assets	100,931,627	94,232,426	25,022,867	25,062,882	125,954,494	119,295,308
Restricted	24,205,345	19,778,483	3,866,343	4,129,869	28,071,688	23,908,352
Unrestricted	(137,354,414)	(144,674,562)	(16,541,755)	(16,898,713)	(153,896,169)	(161,573,275)
Total net position	(12,217,442)	(30,663,653)	12,347,455	12,294,038	130,013	(18,369,615)
Total liabilities, deferred inflows, and net position	<u>\$ 200,990,868</u>	<u>\$ 181,507,174</u>	<u>\$ 39,236,082</u>	<u>\$ 39,224,387</u>	<u>\$ 240,226,950</u>	<u>\$ 220,731,561</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$130,013, a change of \$18,499,628 from the prior year.

The majority of the City's net position, \$125,954,494, reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$28,071,688, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position \$153,896,169 is a deficit, primarily resulting from the City's unfunded net pension liability and OPEB (Other Post-Employment Benefit) liability.

Change in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	(Restated) 2023	2024	2023	2024	(Restated) 2023
Revenues						
Program Revenues:						
Charges for services	\$ 13,134,704	\$ 12,659,332	\$ 21,304,946	\$ 21,079,758	\$ 34,439,650	\$ 33,739,090
Operating grants	146,120	483,085	-	-	146,120	483,085
Capital grants & contributions	10,185,336	6,371,648	-	-	10,185,336	6,371,648
General revenues:						
Property taxes	12,244,785	11,965,587	-	-	12,244,785	11,965,587
Sales and other taxes	5,752,696	5,809,371	-	-	5,752,696	5,809,371
Government aid	3,997,821	3,400,517	-	-	3,997,821	3,400,517
Other	4,760,208	4,692,593	1,082,814	1,059,567	5,843,022	5,752,160
Total revenues	50,221,670	45,382,133	22,387,760	22,139,325	72,609,430	67,521,458
Program expenses:						
Governmental activities:						
General government	3,575,712	3,556,171	-	-	3,575,712	3,556,171
Public safety	8,816,684	9,400,429	-	-	8,816,684	9,400,429
Transportation	3,441,518	3,521,660	-	-	3,441,518	3,521,660
Economic assist. & opp.	938,496	916,077	-	-	938,496	916,077
Culture and recreation	1,322,314	1,397,865	-	-	1,322,314	1,397,865
Home and community services	9,866,471	9,189,290	-	-	9,866,471	9,189,290
Employee benefits	3,893,038	2,150,449	-	-	3,893,038	2,150,449
Interest	574,223	1,428,599	-	-	574,023	1,428,599
Municipal lighting	-	-	21,681,346	20,189,308	21,681,346	20,189,308
Total expenses	32,428,456	31,560,540	21,681,346	20,189,308	54,109,802	51,749,848
Excess of revenues over expenses	17,793,214	13,821,593	706,414	1,950,017	18,499,628	15,771,610
Transfers in (out)	652,997	652,997	(652,997)	(652,997)	-	-
Change in net position	18,446,211	14,474,590	53,417	1,297,020	18,499,628	15,771,610
Net position - beginning of year	(30,663,653)	(45,138,243)	12,294,038	10,997,018	(18,369,615)	(34,141,225)
Net position - end of year	\$ (12,217,442)	\$ (30,663,653)	\$ 12,347,455	\$ 12,294,038	\$ 130,013	\$ (18,369,615)

The City's total revenues for the 2024 year were \$72,609,430 versus expenses of \$54,109,802. For the year, the City's net position increased by \$18,499,628 to bring the total net position of the primary government to \$130,013. The following analysis separately considers the operations of governmental and business-type activities.

Governmental activities

Revenues and transfers in for the City's governmental activities for the year were \$50,874,667 while total expenses were \$32,428,456 which yielded an increase in net position of \$18,446,211. The drivers of revenues for the year were charges for services, which consists mostly of water and sewer charges for services. Property taxes comprised 24% of total revenues while sales taxes were 11% of total revenues. Revenues were up from the prior year by \$4,839,537. This is primarily due to an increase in capital grants and contributions of \$3,813,688.

For expenses, public safety, home and community services, and general government made up a majority of the costs of the governmental activities. Total expenses for public safety were \$8,816,684. Costs associated with the police department totaled \$5,099,360 or 58% of the total while the fire department expenses for the year totaled \$3,741,078 or 42% of the total.

Home and community services total expenses for the year were \$9,866,471. Costs associated with operating the water fund were 1,862,212 or 19% of the total while sewer funds were \$4,052,175 or 41% of the total.

Total expenses were up \$867,916 from the prior year. This is due to interest debt service decreasing \$854,556 due to conversion of bond anticipation notes to bonds and employee benefits increasing \$1,742,589.

Business-type activities

Revenues for the Municipal Lighting Department for the year were \$22,387,760 while total expenditures and transfer out were \$22,334,343. The resulting total net position for the business-type activities for the year increased by \$53,417.

For the Municipal Lighting Department, revenues are heavily influenced by winter temperatures, business activity, local development, and any changes in rates granted by the Public Service Commission. The charges for services part of total revenue increased by \$225,188 compared to the prior year. For expenses, demand for electric power drives demand to purchase power. Since the Municipal Lighting Department does not generate its own power but distributes what it purchases, the cost of purchase power is a large cost factor in operating the business. In 2024, the total cost of purchased power increased by \$1,100,585 compared to the prior year.

Governmental funds

General Fund – the General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$7,604,164 and the total fund equity was \$9,134,822. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year, unassigned fund balance represents 27% of total expenditures (including transfers out), while total fund balance was 33% of the same amount. The total fund balance of the City's General Fund increased by \$1,311,476 during the current fiscal year.

Capital Projects Fund – the Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases, including projects related to business-type activities. The fund balance at the end of the year was \$4,341,690. The fund balance of the City's Capital Projects Fund increased by \$1,779,656 during the current fiscal year.

Debt Service Fund – the Debt Service Fund is the fund from which all debt payments for the City are made. The fund balance at the end of the year of \$2,189,814 is reserved for the repayment of debt. The fund balance of the City's Debt Service Fund increased by \$357,365 during the current fiscal year.

Special Grant Fund – The Special Grant Fund accounts for the use of federal and state monies received under the Community Development Act and other Housing and Economic Development Projects. The fund balance at the end of the year was \$2,753,214. The City's Special Grant Fund increased by \$13,868 during the current year.

Municipal Parking Fund – The Municipal Parking Fund accounts for the operations and maintenance of City parking within the downtown business district and the Oval Parking District in accordance with New York State laws. The fund balance at the end of the year was \$(90,310). The City's Municipal Parking Fund increased by \$ 6,334 during the current year.

Recreation Complex Fund – The Recreation Complex fund accounts for the operations and maintenance of recreation facilities of the City in accordance with New York State laws. The fund balance at the end of the year was \$86,921. The City's Recreation Complex Fund decreased by \$13,456 during the current year.

Water Fund – The Water Fund accounts for the operations, including debt service, of the water district. The fund balance at the end of the year was \$1,709,445. The City's Water Fund increased by \$233,114 during the current year.

Sewer Fund – the Sewer Department services the sewer system of the City. The fund balance at the end of the year was \$15,229,402. The fund balance of the City's Sewer Fund increased by \$1,308,391 during the current year.

Public Library Fund – The Public Library Fund accounts for the operation of the City's Library. The fund balance at the end of the year was \$323,375. The City's Public Library Fund decreased by \$324,097 during the current year.

The other restricted Community Development amount represents funds that can be loaned under the City of Plattsburgh's Housing and Economic revolving loan program.

Proprietary fund

Municipal lighting department - this department purchases all of its power from the New York Power Authority and the New York Municipal Power Agency and distributes it on a system owned by the City of Plattsburgh. For the fiscal year ended December 31, 2024, net position was \$12,347,455, up \$53,417 from the previous year.

BUDGETARY HIGHLIGHTS

The City Charter requires the Mayor to submit a budget with an accompanying written budget report to the Common Council on or before October 1st for the next fiscal year which begins January 1st. The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year. The final 2024 budget included a 0% property tax levy increase including a 0% increase in the total assessed value of the City properties with a corresponding decrease of 0% in the property tax rate. There were 0.00% increases in the water, sewer, electricity, and refuse rates.

A summary of the proposed budget, a notice of when and where the budget and budget report are available for public inspection, and the time and place of a public hearing on the proposed budget shall be published on or before October 8th. A public hearing shall be held on the proposed budget no sooner than October 15th nor later than October 22nd. The Council may then review the budget and make amendments as they see fit but must adopt a final budget along with necessary implementing ordinances no later than 14 days after the start of the fiscal year.

If the Common Council fails to adopt a budget within 14 days of the start of the fiscal year, the budget submitted to the Council by the Mayor and all necessary implementing ordinances shall take effect.

The City's annual budget includes estimated revenue and appropriations for the general fund, proprietary fund, and debt service fund. The parking authority fund, recreation complex fund, water fund, sewer fund and library fund, which are special revenue funds, are also included in the budgetary process. The special grants fund does not have an annual budget even though it is a special revenue fund. A five year capital plan is also included in the annual budget.

The actual change in fund balance of the General Fund (budgetary basis) resulted in an increase for the current year of \$1,311,476.

The City's budget should contain reasonable revenue and expenditure estimates and be structurally balanced so that recurring costs are financed with recurring revenues. The budget formula for operating funds is: estimated revenues plus appropriated fund balances equals total amount available to finance operations.

The General Fund depends on recovering the cost for services and administration provided to the water, sewer, and municipal lighting funds. Inter-fund revenues from those funds are comprised of the following:

- Reimbursement for administrative costs for the water, sewer, and municipal lighting funds.
- Payments in lieu of property taxes from the municipal lighting department for its tax exempt real property infrastructure.
- Reimbursement for services performed for the water, sewer, and municipal lighting funds (for example, police surveillance for property security, code enforcement and civil service and legal functions).

In 2024, inter-fund transfers were as follows:

Fund	Interfund	
	Transfers in	Transfers out
General	\$ 1,262,435	\$ 4,985,586
Capital Projects	2,566,787	1,507,636
Debt Service	5,198,491	-
Parking Authority	90,671	66,721
Recreation	423,408	145,117
Water	-	1,406,579
Sewer	90,049	1,618,897
Library	756,539	4,847
Enterprise	-	652,997
Total	<u>\$ 10,388,380</u>	<u>\$ 10,388,380</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Total investment in capital assets for governmental and business-type activities at year end amounted to \$168,222,822 (net of accumulated depreciation) consisting of \$139,854,335 in governmental activities and \$ 28,368,487 in business-type activities. This investment in capital assets includes land, buildings and system improvements, construction in progress, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Total capital expenditures additions, net of disposals, for the governmental activities for the year were \$ 11,316,522.
- Depreciation expense in the governmental activities for the year was \$5,955,636.

Additional information on capital assets can be found in the Notes to the Financial Statements.

Debt Administration

At December 31, 2024, the City's long-term debt balance consisting of bonds and notes payable totaling \$42,268,328.

The City's other long-term liabilities include accrued compensated absences, net pension liability, and other post-employment benefits.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

ECONOMIC FACTORS

Major economic developments in the City itself as well as the outlying areas will have a major impact on the economic climate of the region as well as the City. All the developments listed are expected to increase the taxable base of the City significantly. Descriptions of the major developments are listed below:

Redevelopment of the Durkee Street Municipal Parking Lot and Adjoining Lands

This project is located in the heart of downtown Plattsburgh and involves development of a 3.30 +/- acre parcel of land between Broad Street and Bridge Street and north of an existing development consisting of a four-story office building and a two-story parking garage.

A 0.20 +/- acre parcel of land between Margaret and Durkee streets which is the walkway between these two streets, and three contiguous parcels of land totaling 0.37 +/- acres along the southern edge of the walkway will also be developed. Streetscape improvements to Durkee Street are also planned. A significant expansion of the City's municipal parking lot adjoining the Saranac River immediately south of Broad Street was completed in the fall of 2020 as well as construction of a new municipal parking lot with over 100 spaces on the former site of Glens Falls National Bank on Margaret Street.

Continued public input into use of this area resulted in the City earning a \$10 million Downtown Revitalization Initiative (DRI) award in July 2016. The successful concept includes converting the remaining surface parking lot into a mixed-use development with increased river access. The specific project list for the DRI includes:

- 1) Develop the Durkee Street Site via an RFEI/RFP, support public infrastructure investments, and provide vertical development gap financing to incentivize development (\$4.3 Million). A developer was selected in 2018, an extended environmental review for the proposed \$20 million mixed-use development was completed in 2020, and final board approval for the projects was obtained in 2021. An Article 78 challenge was filed shortly after and an unfavorable judicial ruling annulled the project approvals in early 2022. The City has appealed that decision and awaits a final ruling from the NYS Appellate Division.
- 2) Improve riverfront access to increase recreational opportunities highlighting Plattsburgh's natural assets (\$1.6 million). Construction of a new pedestrian trail along the bank of the Saranac River between Bridge and Broad Streets begun in May 2023 with completion expected by September 2023.
- 3) Enhance downtown's streetscapes to improve the downtown appearance and the pedestrian experience with investments to key streets and walkable areas (\$1.3 million). A new public park in the center of downtown was constructed in 2021 and features a splash pad and a series of public art installations.
- 4) Improve the Dock Street Waterfront District by developing the City's lakefront via an RFEI/RFP process to attract developers and supporting key infrastructure improvements, namely the demolition of a former lakefront industrial site, to incentivize development (\$290K). A highest and best study for the Dock Street District was completed in 2018 and the City is currently in negotiations with a developer for construction of a waterfront hotel. Demolition of the former PMLD industrial site on Green Street was completed in 2020.
- 5) Establish a fund for downtown residential, retail and hotel improvements to support and incentivize development by providing a new funding mechanism with greater flexibility targeting upper floor residential, store-front commercial and hotel development along with façade improvements and retail space redevelopment and also provide small business support (\$1.205 million). As of 2023, seven properties have been improved via this initiative.

6) Implement a cohesive marketing, branding, signage strategy that strengthens downtown Plattsburgh's identity and visibility and increases visitation (\$250K). New signage and wayfinding has been installed throughout the downtown area and this initiative has been completed.

As part of the Durkee Street development project, an RFP process in the summer of 2018 resulted in the hiring of an economic development consultant, White & Burke Real Estate Investment Advisors of Burlington, Vermont, to assist the City in crafting an RFP for developers and in management of the eventual development project. The RFP for developers was released in the fall of 2018 and Prime Companies of Cohoes, NY was awarded the opportunity to develop the lot. A development agreement between the City and Prime was signed in the spring of 2019. Several iterations of the development plans were presented for public comment and a final concept was settled on during the summer of 2019. A comprehensive environmental review in the form of a Generic Environmental Impact Statement which evaluated eight City-sponsored projects was completed in early 2020 and the project has undergone an extensive permitting process resulting in significant changes to site design over the course of 2020. Resolution of this permitting process was completed during the winter of 2020-2021.

An adverse court ruling in February 2022 annulled the project's prior approvals. The City had appealed that ruling and was awaiting a decision from the appellate court, however, the developer has just advised the City that they are dropping their original development project plans and are working on revising their development proposal to create a new project plan. The outcome of that decision has not been finalized and the development of the new project plan is in progress and will be forthcoming in the near future.

The DRI's riverfront access and streetscape improvement projects are underway. Saratoga Associates of Saratoga Springs, New York, has been hired as the project's primary contractor and several rounds of public outreach have been completed. Construction of improvements to the City's Betty Little Arts Park, formerly known as the Westelcom Park, are complete through all phases of construction and aspects of improvements. Construction of a new pedestrian trail along the bank of the Saranac River between Bridge and Broad Streets begun in May of 2023 with completion expected by September 2023.

Two rounds of applications for the downtown residential and retail improvement fund have been completed with 8 projects being chosen to receive grant awards of varying amounts. Construction on six of these projects has been completed and one more are currently under construction. The eighth project has experienced substantial delays and may not be completed.

In coordination with the NYS agency overseeing the downtown residential and retail improvement fund, the City awarded a large grant to facilitate the relocation of the Plattsburgh Farmers' and Crafters' Market (PFCM) to a new location within a former industrial site on the City's lakefront. An existing building on that site was rehabilitated and multiple other improvements were completed on the site during the 2021 construction season. Construction of additional improvements to enhance the building and the site were completed in 2022.

The DRI's marketing, branding, and signage project is also underway. Boire Benner Group of Plattsburgh, New York was hired as the project's primary contractor. A series of event banners were designed and fabricated and will be used for major City events. Several designs for more permanent banners were evaluated and fabrication was completed in 2020. A new series of historic themed street signs were also fabricated in 2020. Both the banners and street signs have been installed and have improved the look and feel of downtown.

Development of waterfront hotel and conference center

The DRI plans include incentivizing development of the waterfront area to promote use of the lakefront property and take advantage of the development that took place for the previous plans to have a hotel and conference center.

During the summer of 2020, the City reissued an RFP to attract a developer to the waterfront site and, on the basis of their submitted proposal, the City elected to seek a development agreement with Skyward Hospitality of Lake Placid, NY. Discussions with Skyward representatives on negotiations were ongoing regarding an agreement to build a new hotel on the site and a subdivision of the hotel development site was completed in 2023 to facilitate creation of a suitable parcel for construction of a new hotel.

However, in 2023 during the approval process of the final proposed agreement between the City and the developer to construct the hotel, the Common Council raised questions about the agreement to build the hotel and ultimately rejected the proposed agreement to develop the hotel on the waterfront site. Additional interest in this waterfront site has been discussed by other developers, but at this time those interests are still considered to be in the exploratory stages.

Commercial development and redevelopment projects

The City of Plattsburgh has successfully annexed developable properties near Interstate Route I87 and plans to bring inexpensive power to the area to incentivize development. The value of these properties should in aggregate add \$1 to \$2 million to city property tax revenues and, upon development, perhaps \$100 million to the property tax base, and potentially hundreds of jobs. The City is in discussions with various engineers and consultants to prepare the area for future development.

The Samuel F. Vilas Home is located at 61 Beekman St. in the City of Plattsburgh next door to CVPH Medical Center. In 2024, the Vilas Home Reconstruction Project was completed and added bathrooms, expanded rooms, and updates in accordance with the Secretary of the Interior, as well as a 65 unit addition that includes a light secure memory care wing, a heavier dementia memory care wing, and additional enhanced limited nursing beds to the community. There is currently a shortage of assisted living in the region and most notably there are only 21 assisted living memory care beds in all of Clinton County. The \$14.3M expansion allows the current Vilas Home to continue its mission to meet the needs of our area's aging population and provides a much-needed service to seniors in the region. During the construction phase, the project generated a total of 116 jobs and output in Clinton County valued at \$19.1 million.

This project directly invests in community vitality and revitalization through construction activities and operational actions that preserve an important historic structure, expand physical health care services and facilities with growing demand, and provide essential health care supportive services in a centralized location near the hospital, colleges, essential services, and county seat. County sales tax, which makes up a significant portion of the general fund revenue, is also expected to be enhanced by virtue of the above developments.

Public Improvement Projects

The plan to upgrade the City's Parks through use of some of nearly \$2 Million of ARPA Funding provided by the Federal Government begun in 2022 and is continuing through 2025 and forward.

In 2024, two city parks saw public investment for the first time in decades. South Platt Street (also known as Fox Hill Playground to locals) received an expanded and updated playground with the local investment of \$449,978.80 from the ARPA Funding noted above. South Platt Street Park is a hub of neighborhood activity and is Plattsburgh's only four season park, hosting Little League games in the summer and sledding and skating in the winter. The addition of a new playground set has increased the park's use amongst families in the neighborhood and all over Plattsburgh. The second park to receive upgrades is located in the City's West End and is called Peter S. Blumette Park. The park saw improvements to its bathroom building, the addition of a full size basketball court and updated seating and picnic areas, again funded through the ARPA grant.

These upgrades have made the park more welcoming to residents and visitors and has reduced City Staff resources having to maintain outdated utilities in the bathrooms that would frequently break and need repairs.

The City has numerous and various projects completed and underway for the improvement of the streets, sidewalks, utility infrastructure and public service buildings. The major developments within the list of these projects is the complete renovation of the downtown section of Margaret Street started in 2023 and completed in 2024 under a project cost of nearly \$13 Million funded through various sources, one source from NYS CHIPS and Touring Funds for \$6.2 Million.

Another major project that was completed in 2024 is the City Hall renovations of the copper domed roof. Not only did this project restore this historic feature, it also helped to mitigate leaking and flooding from moisture and rain that caused damage to interior walls in City Hall. In addition to the roof renovation, the granite front steps of City Hall are being stabilized and renovated where necessary, which will be completed in 2025 and the all included in a project estimated at over \$2 million.

Downtown Revitalization and Investment

During the summer of 2024, a feasibility study was conducted on three historic downtown buildings located on Cornelia Street, Margaret Street and Clinton Street. The study cost \$21,100, which was funded through a grant from Homes and Community Renewal (HCR)'s NYMS Technical Assistance Program. The final report created a scope of work for improvements to both the facade and interior of these three buildings which can be used for future grant applications for downtown revitalization funding through HCR.

Three loans from the City's Community Development Revolving Loan fund (CDRLF) were issued to downtown businesses owners that were affected by the large-scale construction project that took place on Margaret Street in the summer of 2023. The loans, which totaled \$75,000 combined, were used to assist with working capital, inventory, marketing, and payroll for three small businesses after facing financial hardship during the construction project. The CDRLF is a tool to foster economic development and revitalization amongst small business wonders in Plattsburgh.

Grant Awards in 2024

The City currently has a number of open grants that were awarded in late 2023 and 2024 and are currently underway:

- City Beach Green Infrastructure Improvements - The City was awarded \$817,525 in grant funds through the DEC to improve storm water runoff, water contamination and erosion through the installation of bio retention swales, tree trenches and dune restoration at the City Beach. The project will increase water quality and beautification at the City beach, for both residents and visitors alike. This project is expended to conclude in late 2025/early 2026
- The City is currently reconstructing its historic staircase through a grant from the Office of Parks, Recreation and Historic Preservation. This necessary project will ensure the stairs are safe for public use and also mitigate flooding into the City's basement level floors.
- The City was awarded \$40,000 in grant funds from the Office of Parks, Recreation and Historic Preservation to develop a plan for Sailor's Beach Park to complete a conceptual site plan, which includes soil sampling and bathymetric survey of the current deteriorating fishing pier.
- The City will complete a Highest and Best Use Study of the current Champlain Valley Transportation Museum Property located on the Old Base with a \$40,000 grant from Empire State Development.
- Through NYMS, the City was awarded another \$21,100 in grant funds to complete another feasibility study on three more downtown properties.

Smart Code Plattsburgh - Zoning Update

A city-wide update of the City's zoning, subdivision, and related land use regulations is in process with expected approval in the fall of 2025. This update is expected to have wide-ranging, positive effects for the city's future. It is the first step in implementing the City's Comprehensive Plan, which identifies over 35 objectives, policies, and implementation recommendations related to land use regulations to guide the city forward. The City's Local Waterfront Revitalization Program (LWRP) will also guide regulatory updates.

The current zoning code is a typical Euclidean Code with emphasis on land use separation and density control. The update to the zoning code would take an in-depth analysis of the code and modernize it to fit the goals, policies, and implementation strategies of the city's updated comprehensive plan. The City aims to prepare a land use planning and regulatory approach that positions the community to welcome and foster new residents and businesses, while preserving and improving quality of life. In addition to these objectives, other overarching goals illustrated within the recent draft Comprehensive Plan include: place-making and beautification of public spaces, promoting sustainably increased density, increasing flexibility in housing regulations, improving, and encouraging diverse transportation models including walkability and biking, and embracing neighborhood-scale mixed use developments, all while utilizing opportunities for infill development. The draft Comprehensive Plan recommends consideration of a hybrid form-based code approach to achieve these goals.

Saranac River Trail (phase 3)

This is a 1 mile segment of the third and final phase of the Saranac River Trail within the City of Plattsburgh which is part of a greater 26 mile regional trail corridor. It is funded by a \$1.449 million NYSDOT TAP Grant awarded in 2017, which requires a 20% local funding match.

- The detailed design phase is expected to be complete by February 2026.
- The construction phase with full completion date is anticipated for autumn of 2026.
- Continuous access will be provided along the entire planned length of the Trail
- Enhanced bicycling and pedestrian facilities will be provided along Bridge and Green Streets.
- An on-road connection will be provided to Plattsburgh's River Walk.
- An off-road connection to Peace Point Park which is directly adjacent to the City Marina.

Safe Routes to School - Oak Street project

The City was awarded an \$800,000 NYSDEC CSC grant that has a 50% local match for road improvements along 0.37 miles of Oak Street from Elm Street to Riley Avenue. The project will provide design plans, and subsequent construction to widen sidewalks from three feet to five feet, restripe crosswalks, and add signage, new signal equipment, and bike lanes where feasible. These improvements are expected to provide a safer walking and biking route for students to get to the nearby Oak Street Elementary School (OSES) and, ultimately, both reduce the City's reliance on automobile transportation and reduce greenhouse gas (GHG) emissions, making the city healthier, and more livable.

Public Supply Wells

The first of four anticipated public supply wells (PW-1) was installed and developed at the Mead Reservoir property in 2024 under an \$18 Million project funded principally by the NYS Environmental Facility Corporation through the WIIA Grant program.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Plattsburgh, New York's finances to our citizens, taxpayers, customers, investors, and creditors. If you need any additional copies of this report or have any additional questions, please contact our offices at the following address: City of Plattsburgh, Finance Office, 41 City Hall Place, Plattsburgh, NY 12901.

CITY OF PLATTSBURGH, NEW YORK
Statement of Net Position
Year Ended December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 11,645,174	\$ 155,247	\$ 11,800,421
Taxes receivable, net of allowance of \$77,490	544,460	-	544,460
Other receivable, net of allowance	1,668,029	1,597,331	3,265,360
State and federal receivables	1,694,888	-	1,694,888
Economic development loans, net of allowance of \$2,002	142,462	-	142,462
Due from other governments	1,731,512	-	1,731,512
Due from other funds	412,290	94,407	506,697
Inventories	-	2,044,505	2,044,505
Prepaid expenses	838,638	165,859	1,004,497
Total current assets	18,677,453	4,057,349	22,734,802
Non-current assets:			
Restricted cash	19,815,334	3,866,343	23,681,677
Capital assets, net of accumulated depreciation	139,854,335	28,368,487	168,222,822
Total noncurrent assets	159,669,669	32,234,830	191,904,499
Total assets	178,347,122	36,292,179	214,639,301
Deferred outflows of resources			
Pensions	8,970,151	1,130,311	10,100,462
Other post employment benefits	13,656,353	1,813,592	15,469,945
Defeasement loss	17,242	-	17,242
Total deferred outflows of resources	22,643,746	2,943,903	25,587,649
Total assets and deferred outflows of resources	\$ 200,990,868	\$ 39,236,082	\$ 240,226,950
Liabilities			
Current liabilities:			
Accounts payable	\$ 1,869,605	\$ 2,327,604	\$ 4,197,209
Accrued liabilities	555,078	225,715	780,793
Due to other funds	94,407	412,290	506,697
Due to other governments	164,280	-	164,280
Other liabilities	80,722	-	80,722
Customer deposits	-	865,711	865,711
Bonds and notes payable, current portion	14,816,455	596,764	15,413,219
Total current liabilities	17,580,547	4,428,084	22,008,631
Long term liabilities:			
Bonds and notes payable, less current portion	24,106,253	2,748,856	26,855,109
Compensated absences	3,102,523	535,650	3,638,173
Net pension liability - proportionate share	9,822,599	1,174,889	10,997,488
Other post employment benefits	122,114,633	14,989,801	137,104,434
Total long-term liabilities	159,146,008	19,449,196	178,595,204
Total liabilities	176,726,555	23,877,280	200,603,835
Deferred inflows of resources			
Unearned federal aid	131,235	-	131,235
Pensions	4,410,137	660,492	5,070,629
Other post employment benefits	31,940,383	2,350,855	34,291,238
Total deferred inflows of resources	36,481,755	3,011,347	39,493,102
Net Position			
Net investment in capital assets	100,931,627	25,022,867	125,954,494
Restricted	24,205,345	3,866,343	28,071,688
Unrestricted	(137,354,414)	(16,541,755)	(153,896,169)
Total net position	(12,217,442)	12,347,455	130,013
Total liabilities, deferred inflows of resources, and net position	\$ 200,990,868	\$ 39,236,082	\$ 240,226,950

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

CITY OF PLATTSBURGH, NEW YORK
Statement of Activities
Year Ended December 31, 2024

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Capital Grants	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government							
Governmental activities							
General government	\$ 3,575,712	\$ 475,137	\$ -	\$ 45,597	\$ (3,054,978)	\$ -	\$ (3,054,978)
Public safety	8,816,684	1,453,656	-	-	(7,363,028)	-	(7,363,028)
Transportation	3,441,518	22,187	-	7,015,822	3,596,491	-	3,596,491
Economic assistance and opportunity	938,496	-	21,500	-	(916,996)	-	(916,996)
Culture and recreation	1,322,314	144,001	124,620	518,759	(534,934)	-	(534,934)
Home community services	9,866,471	11,039,723	-	2,605,158	3,778,410	-	3,778,410
Employee benefits	3,893,038	-	-	-	(3,893,038)	-	(3,893,038)
Debt service (interest)	574,223	-	-	-	(574,223)	-	(574,223)
Total governmental activities	<u>32,428,456</u>	<u>13,134,704</u>	<u>146,120</u>	<u>10,185,336</u>	<u>(8,962,296)</u>	<u>-</u>	<u>(8,962,296)</u>
Business-type activities							
Municipal lighting	21,681,346	21,304,946	-	-	-	(376,400)	(376,400)
Total business-type activities	<u>21,681,346</u>	<u>21,304,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(376,400)</u>	<u>(376,400)</u>
Total primary government	<u>\$ 54,109,802</u>	<u>\$ 34,439,650</u>	<u>\$ 146,120</u>	<u>\$ 10,185,336</u>	<u>(8,962,296)</u>	<u>(376,400)</u>	<u>(9,338,696)</u>
General revenues							
Real property taxes					12,244,785	-	12,244,785
Real property tax items					242,525	296,693	539,218
Non-property tax items					5,752,696	-	5,752,696
Investment earnings					1,588,513	296,419	1,884,932
Fines and penalties					242,034	-	242,034
Intergovernmental					1,404,639	-	1,404,639
Sales of property and compensation for loss					68,897	-	68,897
Miscellaneous					157,761	133,398	291,159
Interfund revenues					1,055,839	356,304	1,412,143
State sources					3,997,821	-	3,997,821
Operating transfers					652,997	(652,997)	-
Total general revenues					<u>27,408,507</u>	<u>429,817</u>	<u>27,838,324</u>
Change in net position					18,446,211	53,417	18,499,628
Net position - beginning of year, as previously reported					(29,623,902)	12,294,038	(17,329,864)
Prior period adjustment					(1,039,751)	-	(1,039,751)
Net position - beginning of year, restated					<u>(30,663,653)</u>	<u>12,294,038</u>	<u>(18,369,615)</u>
Net position - end of year					<u>\$ (12,217,442)</u>	<u>\$ 12,347,455</u>	<u>\$ 130,013</u>

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

CITY OF PLATTSBURGH, NEW YORK
Balance Sheet - Governmental Funds
Year Ended December 31, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 5,270,119	\$ 4,556,999	\$ -	\$ 1,818,056	\$ 11,645,174
Taxes receivable, net of allowance of \$77,490	544,460	-	-	-	544,460
Other receivable, net of allowance of \$83,349	244,109	-	-	1,423,920	1,668,029
State and federal receivables	1,670,574	-	-	24,314	1,694,888
Economic development loans, net of allowance of \$2,002	-	-	-	142,462	142,462
Due from other funds	790,473	650,323	-	-	1,440,796
Due from other governments	1,731,512	-	-	-	1,731,512
Restricted cash	370,366	-	2,225,614	17,219,354	19,815,334
Prepaid expenses	648,647	-	-	189,991	838,638
Total assets	\$ 11,270,260	\$ 5,207,322	\$ 2,225,614	\$ 20,818,097	\$ 39,521,293
Liabilities					
Accounts payable	\$ 764,998	\$ 865,632	\$ -	\$ 238,975	\$ 1,869,605
Accrued liabilities	343,880	-	-	130,285	474,165
Due to other funds	650,323	-	35,800	436,790	1,122,913
Due to other governments	164,280	-	-	-	164,280
Other liabilities	80,722	-	-	-	80,722
Total liabilities	2,004,203	865,632	35,800	806,050	3,711,685
Deferred inflows of resources					
Unearned federal aid	131,235	-	-	-	131,235
Total deferred inflows of resources	131,235	-	-	-	131,235
Fund Balance					
Nonspendable					
Prepaid expenses	648,647	-	-	189,994	838,641
Long-term loan and receivables	-	-	-	58,837	58,837
Restricted					
Capital projects	-	4,341,690	-	14,609,098	18,950,788
Retirement of long-term debt	-	-	2,189,814	-	2,189,814
Aerial fire equipment reserve	81,014	-	-	-	81,014
Asset seizure reserve	261,866	-	-	-	261,866
Clyde Lewis aircraft park reserve	27,486	-	-	-	27,486
Other	-	-	-	2,694,377	2,694,377
Assigned					
Encumbrances	511,645	-	-	374,340	885,985
Unappropriated	-	-	-	2,557,088	2,557,088
Unassigned	7,604,164	-	-	(105,195)	7,498,969
Total fund balance	9,134,822	4,341,690	2,189,814	20,378,539	36,044,865
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,270,260	\$ 5,207,322	\$ 2,225,614	\$ 21,184,589	\$ 39,887,785

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

CITY OF PLATTSBURGH, NEW YORK
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Year Ended December 31, 2024

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position
Assets				
Cash and cash equivalents	\$ 11,645,174	\$ -	\$ -	\$ 11,645,174
Taxes receivable, net of allowance of \$77,490	544,460	-	-	544,460
Other receivable, net of allowance of \$83,349	1,668,029	-	-	1,668,029
State and federal receivables	1,694,888	-	-	1,694,888
Economic development loans, net of allowance of \$2,002	142,462	-	-	142,462
Due from other funds	1,440,796	-	(1,028,506)	412,290
Due from other governments	1,731,512	-	-	1,731,512
Restricted cash	19,815,334	-	-	19,815,334
Prepaid expenses	838,638	-	-	838,638
Capital assets, net of accumulated depreciation	-	139,854,335	-	139,854,335
Total assets	<u>39,521,293</u>	<u>139,854,335</u>	<u>(1,028,506)</u>	<u>178,347,122</u>
Deferred outflows of resources				
Pensions	-	8,970,151	-	8,970,151
Other post employment benefits	-	13,656,353	-	13,656,353
Defeasement loss	-	17,242	-	17,242
Total deferred outflows of resources	<u>-</u>	<u>22,643,746</u>	<u>-</u>	<u>22,643,746</u>
Total assets and deferred outflows of resources	\$ <u>39,521,293</u>	\$ <u>162,498,081</u>	\$ <u>(1,028,506)</u>	\$ <u>200,990,868</u>
Liabilities				
Accounts payable	\$ 1,869,605	\$ -	\$ -	\$ 1,869,605
Accrued liabilities	474,165	80,913	-	555,078
Due to other funds	1,122,913	-	(1,028,506)	94,407
Due to other governments	164,280	-	-	164,280
Other liabilities	80,722	-	-	80,722
Bonds payable and notes payable	-	38,922,708	-	38,922,708
Compensated absences	-	3,102,523	-	3,102,523
Net pension liability - proportionate share	-	9,822,599	-	9,822,599
Other post employment benefits	-	122,114,633	-	122,114,633
Total liabilities	<u>3,711,685</u>	<u>174,043,376</u>	<u>(1,028,506)</u>	<u>176,726,555</u>
Deferred inflows of resources				
Unearned federal aid	131,235	-	-	131,235
Pensions	-	4,410,137	-	4,410,137
Other post employment benefits	-	31,940,383	-	31,940,383
Total deferred inflows or resources	<u>131,235</u>	<u>36,350,520</u>	<u>-</u>	<u>36,481,755</u>
Fund balance/net position				
Total fund balance/net position	<u>36,044,865</u>	<u>(47,895,815)</u>	<u>-</u>	<u>(11,850,950)</u>
Total liabilities, deferred inflows of resources, and fund balance/net position	\$ <u>39,887,785</u>	\$ <u>162,498,081</u>	\$ <u>(1,028,506)</u>	\$ <u>201,357,360</u>

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

CITY OF PLATTSBURGH, NEW YORK
Statement of Revenues, Expenditures,
And Changes in Fund Balance - Governmental Funds
Year Ended December 31, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Funds	Total Governmental Funds
Revenues					
Real property taxes	\$ 12,159,775	\$ -	\$ -	\$ 85,010	\$ 12,244,785
Real property tax items	242,525	-	-	-	242,525
Non-property tax items	5,752,696	-	-	-	5,752,696
Departmental income	2,221,371	-	-	11,118,651	13,340,022
Intergovernmental charges	-	-	-	1,404,639	1,404,639
Use of money and property	485,562	198,364	809,865	853,020	2,346,811
Licenses and permits	427,113	-	-	-	427,113
Fines and forfeitures	128,361	-	-	-	128,361
Sale of property and compensation for loss	28,774	-	-	40,123	68,897
Miscellaneous local sources	63,110	45,597	-	67,411	176,118
Interfund	937,195	-	-	118,644	1,055,839
State aid	3,997,821	8,227,402	-	119,904	12,345,127
Federal aid	1,278,205	115,373	-	4,716	1,398,294
Total revenues	<u>27,722,508</u>	<u>8,586,736</u>	<u>809,865</u>	<u>13,812,118</u>	<u>50,931,227</u>
Expenditures					
General government	2,232,051	-	-	450,316	2,682,367
Public safety	9,327,378	-	-	-	9,327,378
Transportation	1,451,026	6,155,320	-	225,202	7,831,548
Economic assistance and opportunity	640,714	-	-	-	640,714
Culture and recreation	15,739	-	-	1,353,111	1,368,850
Home community services	850,988	4,185,794	-	6,434,442	11,471,224
Employee benefits	8,169,985	-	-	2,243,399	10,413,384
Debt service:					
Principal	-	16,604,149	21,062,884	-	37,667,033
Interest	-	-	1,192,256	-	1,192,256
Total expenditures	<u>22,687,881</u>	<u>26,945,263</u>	<u>22,255,140</u>	<u>10,706,470</u>	<u>82,594,754</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>5,034,627</u>	<u>(18,358,527)</u>	<u>(21,445,275)</u>	<u>3,105,648</u>	<u>(31,663,527)</u>
Other financing sources (uses)					
Transfers in	1,262,435	2,566,787	5,198,491	1,360,667	10,388,380
Transfers (out)	(4,985,586)	(1,507,636)	-	(3,242,161)	(9,735,383)
Proceeds from long term debt	-	19,079,032	-	-	19,079,032
BANs redeemed from appropriations	-	-	16,604,149	-	16,604,149
Total other financing sources (uses)	<u>(3,723,151)</u>	<u>20,138,183</u>	<u>21,802,640</u>	<u>(1,881,494)</u>	<u>36,336,178</u>
Change in fund balance	1,311,476	1,779,656	357,365	1,224,154	4,672,651
Fund balance - beginning of year	<u>7,823,346</u>	<u>2,562,034</u>	<u>1,832,449</u>	<u>18,787,893</u>	<u>31,005,722</u>
Fund balance - end of year	<u>\$ 9,134,822</u>	<u>\$ 4,341,690</u>	<u>\$ 2,189,814</u>	<u>\$ 20,012,047</u>	<u>\$ 35,678,373</u>

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

CITY OF PLATTSBURGH, NEW YORK
Reconciliation of Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
Year Ended December 31, 2024

	<u>Total Governmental Funds</u>	<u>Long-term Revenues, Expenses</u>	<u>Capital Related Funds</u>	<u>Long-term Debt Transactions</u>	<u>Statement of Activities Totals</u>
Revenues					
Real property taxes	\$ 12,244,785	\$ -	\$ -	\$ -	\$ 12,244,785
Real property tax items	242,525	-	-	-	242,525
Non-property tax items	5,752,696	-	-	-	5,752,696
Departmental income	13,340,022	-	-	-	13,340,022
Intergovernmental charges	1,404,639	-	-	-	1,404,639
Use of money and property	2,346,811	(709,557)	-	-	1,637,254
Licenses and permits	427,113	-	-	-	427,113
Fines and forfeitures	128,361	-	-	-	128,361
Sale of property and compensation for loss	68,897	-	-	-	68,897
Miscellaneous local sources	176,118	-	-	-	176,118
Interfund	1,055,839	-	-	-	1,055,839
State aid	12,345,127	-	-	-	12,345,127
Federal aid	1,398,294	-	-	-	1,398,294
Total revenues	<u>50,931,227</u>	<u>(709,557)</u>	<u>-</u>	<u>-</u>	<u>50,221,670</u>
Expenditures/Expenses					
General government	2,682,367	893,345	-	-	3,575,712
Public safety	9,327,378	297,782	(808,476)	-	8,816,684
Transportation	7,831,548	1,786,691	(6,176,721)	-	3,441,518
Economic assistance and opportunity	640,714	297,782	-	-	938,496
Culture and recreation	1,368,850	297,782	(344,318)	-	1,322,314
Home community services	11,471,224	2,382,254	(3,987,007)	-	9,866,471
Employee benefits	10,413,384	(6,520,346)	-	-	3,893,038
Debt service:					
Principal	37,667,033	-	-	(37,667,033)	-
Interest	1,192,256	-	-	(618,033)	574,223
Total expenditures/expenses	<u>82,594,754</u>	<u>(564,710)</u>	<u>(11,316,522)</u>	<u>(38,285,066)</u>	<u>32,428,456</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(31,663,527)</u>	<u>(144,847)</u>	<u>11,316,522</u>	<u>38,285,066</u>	<u>17,793,214</u>
Other financing sources (uses)					
Transfers in	10,388,380	(9,735,383)	-	-	652,997
Transfers (out)	(9,735,383)	9,735,383	-	-	-
Proceeds from long term debt	19,079,032	-	-	(19,079,032)	-
BANs redeemed from appropriations	16,604,149	-	-	(16,604,149)	-
	<u>36,336,178</u>	<u>-</u>	<u>-</u>	<u>(35,683,181)</u>	<u>652,997</u>
Net change for the year	<u>\$ 4,672,651</u>	<u>\$ (144,847)</u>	<u>\$ 11,316,522</u>	<u>\$ 2,601,885</u>	<u>\$ 18,446,211</u>

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

CITY OF PLATTSBURGH, NEW YORK
Combining Balance Sheet - Special Revenue Funds
Year Ended December 31, 2024

	<u>Special Grants</u>	<u>Parking Authority</u>	<u>Recreation</u>	<u>Water</u>	<u>Sewer</u>	<u>Library</u>	<u>Total</u>
Assets							
Cash and cash equivalents	\$ 521	\$ 360	\$ 105	\$ 747,227	\$ 868,609	\$ 201,234	\$ 1,818,056
Restricted cash	2,610,256	-	74,967	689,926	13,731,894	112,311	17,219,354
Other receivables	-	2,596	16,885	500,045	900,189	4,205	1,423,920
Prepaid expenses	-	5,186	13,805	51,743	98,432	20,825	189,991
Economic development loans, net of allowance of \$2,002	142,462	-	-	-	-	-	142,462
State and federal receivables	-	-	-	-	-	24,314	24,314
Total assets	<u>\$ 2,753,239</u>	<u>\$ 8,142</u>	<u>\$ 105,762</u>	<u>\$ 1,988,941</u>	<u>\$ 15,599,124</u>	<u>\$ 362,889</u>	<u>\$ 20,818,097</u>
Liabilities							
Accounts payable	\$ 25	\$ 6,308	\$ 8,048	\$ 66,781	\$ 138,987	\$ 18,826	\$ 238,975
Accrued liabilities	-	6,262	2,453	40,267	60,615	20,688	130,285
Due to other funds	-	85,882	8,340	172,448	170,120	-	436,790
Total liabilities	<u>25</u>	<u>98,452</u>	<u>18,841</u>	<u>279,496</u>	<u>369,722</u>	<u>39,514</u>	<u>806,050</u>
Fund balance							
Nonspendable:							
Prepays	-	5,186	13,805	51,743	98,435	20,825	189,994
Long term loans and receivables	58,837	-	-	-	-	-	58,837
Restricted:							
Capital reserve	-	-	74,967	689,926	13,731,894	112,311	14,609,098
Other restricted	2,694,377	-	-	-	-	-	2,694,377
Assigned:							
Encumbrances	-	-	7,848	22,443	343,336	713	374,340
Unappropriated	-	-	-	967,776	1,399,073	190,239	2,557,088
Unassigned	-	(95,496)	(9,699)	-	-	-	(105,195)
Total fund balance	<u>2,753,214</u>	<u>(90,310)</u>	<u>86,921</u>	<u>1,731,888</u>	<u>15,572,738</u>	<u>324,088</u>	<u>20,378,539</u>
Total liabilities and fund balance	<u>\$ 2,753,239</u>	<u>\$ 8,142</u>	<u>\$ 105,762</u>	<u>\$ 2,011,384</u>	<u>\$ 15,942,460</u>	<u>\$ 363,602</u>	<u>\$ 21,184,589</u>

See Independent Auditor's Report.

CITY OF PLATTSBURGH, NEW YORK
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Special Revenue Funds
Year Ended December 31, 2024

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total
Revenues							
Real property taxes	\$ -	\$ 85,010	\$ -	\$ -	-	\$ -	\$ 85,010
Departmental income	518,758	113,673	143,627	3,937,199	\$ 6,405,020	374	11,118,651
Intergovernmental charges	-	-	-	398,215	1,006,424	-	1,404,639
Use of money and property	15,165	19,934	6,716	86,649	704,300	20,256	853,020
Sale of property and compensation for loss	-	-	34,767	-	99	5,257	40,123
Miscellaneous local sources	-	42,244	279	-	-	24,888	67,411
Interfund revenue	-	-	-	99,371	19,273	-	118,644
State aid	-	-	-	-	-	119,904	119,904
Federal aid	-	-	-	-	-	4,716	4,716
Total revenues	<u>533,923</u>	<u>260,861</u>	<u>185,389</u>	<u>4,521,434</u>	<u>8,135,116</u>	<u>175,395</u>	<u>13,812,118</u>
Expenditures							
General governmental support	-	-	36,136	302,668	101,960	9,552	450,316
Transportation	-	225,202	-	-	-	-	225,202
Culture and recreation	-	-	364,298	-	-	988,813	1,353,111
Home and community services	520,055	-	-	1,862,212	4,052,175	-	6,434,442
Employee benefits	-	53,275	76,702	716,861	1,143,742	252,819	2,243,399
Total expenditures	<u>520,055</u>	<u>278,477</u>	<u>477,136</u>	<u>2,881,741</u>	<u>5,297,877</u>	<u>1,251,184</u>	<u>10,706,470</u>
Excess (deficiency) of revenues over expenditures	<u>13,868</u>	<u>(17,616)</u>	<u>(291,747)</u>	<u>1,639,693</u>	<u>2,837,239</u>	<u>(1,075,789)</u>	<u>3,105,648</u>
Other financing sources (uses)							
Transfers in	-	90,671	423,408	-	90,049	756,539	1,360,667
Transfers (out)	-	(66,721)	(145,117)	(1,406,579)	(1,618,897)	(4,847)	(3,242,161)
Total other financing sources (uses)	<u>-</u>	<u>23,950</u>	<u>278,291</u>	<u>(1,406,579)</u>	<u>(1,528,848)</u>	<u>751,692</u>	<u>(1,881,494)</u>
Change in fund balance	13,868	6,334	(13,456)	233,114	1,308,391	(324,097)	1,224,154
Fund balance - beginning of year	<u>2,739,346</u>	<u>(96,644)</u>	<u>100,377</u>	<u>1,476,331</u>	<u>13,921,011</u>	<u>647,472</u>	<u>18,787,893</u>
Fund balance - end of year	<u>\$ 2,753,214</u>	<u>\$ (90,310)</u>	<u>\$ 86,921</u>	<u>\$ 1,709,445</u>	<u>\$ 15,229,402</u>	<u>\$ 323,375</u>	<u>\$ 20,012,047</u>

See Independent Auditor's Report.

CITY OF PLATTSBURGH, NEW YORK
Statement of Net Position
Proprietary Fund
Year Ended December 31, 2024

	Municipal Lighting Department
Assets	
Current assets:	
Cash and cash equivalents	\$ 155,247
Accounts receivable, net of allowance of \$65,000	1,597,331
Inventories	2,044,505
Prepaid expenses	165,859
Due from other funds	94,407
Total current assets	<u>4,057,349</u>
Noncurrent assets:	
Restricted cash	3,866,343
Capital assets, net of accumulated depreciation	28,368,487
Total noncurrent assets	<u>32,234,830</u>
Total assets	<u>36,292,179</u>
Deferred outflows of resources	
Pensions	1,130,311
Other post employment benefits	1,813,592
Total deferred outflows of resources	<u>2,943,903</u>
Total assets and deferred outflows of resources	<u>\$ 39,236,082</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 2,327,604
Accrued liabilities	225,715
Due to other funds	412,290
Customer deposits	865,711
Bonds and notes payable, current portion	596,764
Total noncurrent liabilities	<u>4,428,084</u>
Noncurrent liabilities:	
Bonds and notes payable, less current portion	2,748,856
Compensated absences	535,650
Net pension liability- proportionate share	1,174,889
Other post employment benefits	14,989,801
Total noncurrent liabilities	<u>19,449,196</u>
Total liabilities	<u>23,877,280</u>
Deferred inflows of resources	
Other post employment benefits	2,350,855
Pensions	660,492
Total deferred inflows of resources	<u>3,011,347</u>
Net position	
Invested in capital assets	25,022,867
Restricted for other purposes	3,866,343
Unrestricted	(16,541,755)
Total net position	<u>12,347,455</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 39,236,082</u>

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

CITY OF PLATTSBURGH, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2024

	<u>Municipal Lighting Department</u>
Operating revenues	
Charges for services:	
Municipal charges	\$ 21,304,946
Interfund charges	356,304
Miscellaneous income	133,398
Total operating revenues	<u>21,794,648</u>
Operating expenses	
Salaries and wages	2,163,336
Fringe benefits	664,481
Electric and power	16,333,634
Real property taxes	40,422
Bad debts	90,315
Depreciation	2,233,113
Total operating expenses	<u>21,525,301</u>
Income from operations	<u>269,347</u>
Nonoperating revenues (expenses)	
Payments in lieu of taxes	296,693
Use of money and property	296,419
Interest expense	(156,045)
Total nonoperating revenues	<u>437,067</u>
Change in net position before transfers	<u>706,414</u>
Transfers	
Payments in lieu of taxes	(296,693)
Contributions to municipality	(356,304)
Total transfers	<u>(652,997)</u>
Change in net position	53,417
Net position - beginning of year	<u>12,294,038</u>
Net position - end of year	<u>\$ 12,347,455</u>

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

CITY OF PLATTSBURGH, NEW YORK
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2024

	Municipal Lighting Department
Cash flows provided by (used in) operating activities:	
Cash received from customers	\$ 21,833,129
Cash payments to suppliers for goods and services	(15,940,402)
Cash payments to employees for services and benefits	(3,838,733)
Net cash provided by (used in) operating activities	<u>2,053,994</u>
Cash flows provided by (used in) noncapital financing activities:	
Real property taxes	(40,422)
Payments in lieu of taxes	296,693
Contributions to municipality	(652,997)
Net cash provided by (used in) noncapital financing activities	<u>(396,726)</u>
Cash flows provided by (used in) capital and related financing activities:	
Principal payments on debt	(1,565,985)
Proceeds from long-term debt	873,541
Interest expense on debt	(156,045)
Payments to contractors	(1,590,969)
Net cash provided by (used in) capital and related financing activities	<u>(2,439,458)</u>
Cash flows provided by (used in) investing activities:	
Purchase of investments	263,526
Rental of real property	23,488
Interest income	272,931
Net cash provided by (used in) investing activities	<u>559,945</u>
Net increase (decrease) in cash and cash equivalents	(222,245)
Cash and cash equivalents - beginning of year	<u>377,492</u>
Cash and cash equivalents - end of year	<u>\$ 155,247</u>
Reconciliation of income from operations to net cash from operating activities:	
Income from operations	\$ 269,347
Adjustments to reconcile income from operations to net cash flow provided by (used in) operating activities:	
Real property taxes	40,422
GASB 68 pension adjustments	121,444
Other post employment benefits	(1,159,430)
Bad debts	90,315
Depreciation	2,233,113
(Increase) decrease in assets:	
Accounts receivable	284,682
Due from other funds	(23,111)
Inventories	(6,987)
Prepaid expenses	(24,669)
Increase (decrease) in liabilities	
Accounts payable	424,888
Accrued liabilities	42,816
Due to other funds	(188,151)
Customer deposits	(34,939)
Compensated absences	(15,746)
Net cash provided by (used in) operating activities	<u>\$ 2,053,994</u>

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

CITY OF PLATTSBURGH, NEW YORK
Statements of Fiduciary Net Position - Fiduciary Funds
Year Ended December 31, 2024

	Custodial Fund
Assets	
Cash	\$ 233,001
Total assets	\$ 233,001
Liabilities	
Accrued expenses	\$ 198,007
Due to other funds	-
Total liabilities	198,007
Net position	
Held in trust for others	34,994
Total net position	34,994
Total liabilities and net position	\$ 233,001

CITY OF PLATTSBURGH, NEW YORK
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended December 31, 2024

	Custodial Fund
Additions	
Member contributions	\$ 145,197
Total additions	145,197
Deductions	
Program expenses	118,030
Total deductions	118,030
 Change in net position	 27,167
Net position - beginning of year	7,827
Net position - end of year	\$ 34,994

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

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

The City of Plattsburgh, New York, was established and is governed pursuant to Section 163 and 164 of the Chapter 269 of the New York State Laws 1902, as amended. The Common Council, which is the legislative body responsible for the overall operation of the City, consists of the Mayor and six councilors. The Mayor serves as Chief Executive Officer, and the Chamberlain, a non-elected official, serves as the Chief Fiscal Officer of the City.

The City provides the following basic services as provided by its Charter and other state laws: public safety (Police and Fire), highways and streets, refuse collection, public improvements, planning and zoning, general administrative services, water, sewer, and utility services (all primarily supported by user charges), and recreational services (including a multi-purpose recreation center, beach, and library).

Note 1. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the City are described below:

a) Reporting Entity

This report includes all of the funds of the City. The financial reporting entity consist of the primary government, 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 financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. Based on the application of these criteria, there are no entities that should be combined with the financial statements of the City.

b) Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's General Fund, Capital Projects Fund, Sewer Fund, Debt Service Fund, Special Grants Fund, Parking Authority Fund, Recreation Complex Fund, Water Fund, and Library Fund activities are classified as governmental. The City's Municipal Light Department activities are classified as business-type.

Government-wide statements

The Statement of Net Position and the Statement of Activities present financial information about the City's governmental activities and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

b) Basis of Presentation (continued)

Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. Business-type activities generally are financed through charges to customers.

The Statement of Net Position presents the financial position of the City at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Statements

The fund statements provide information about the City's governmental, proprietary, and fiduciary funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental funds

The City reports the following major governmental funds:

General Fund: the General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Fund: this fund is used to account for financial resources to be used for the acquisition or construction of major capital expenditures (other than those reported in the fund type).

Debt Service Fund: this fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Notes and the debts of the proprietary fund are not accounted for in this fund.

Special Revenue Funds: special revenue funds are used to account for the proceeds of specific revenue sources which are required by law or regulation to be accounted for in separate funds. The City maintains the following major special revenue funds:

Special Grant Fund – to account for the use of federal and state monies received under the Community Development Act and other Housing and Economic Development Projects.

Municipal Parking Fund - to account for the operations and maintenance of City parking within the downtown business district and the Oval Parking District in accordance with New York State laws. The City has elected not to account for this activity as an enterprise fund type.

Recreation Complex Fund - to account for the operations and maintenance of recreation facilities of the City in accordance with New York State laws.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

b) Basis of Presentation (continued)

Water Fund - to account for the operations, including debt service, of the water district. The City has elected not to account for this activity as an enterprise fund type.

Sewer Fund - this fund is used to account for the operations, including debt service, of the sewer district. The City has elected not to account for this activity as an enterprise fund type.

Public Library Fund - to account for the operation of the City's Library.

Proprietary Funds

The City reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that of the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expense not meeting this definition are reported as non-operating revenue and expenses. The City reports on the following major enterprise funds:

Municipal Lighting Department: this fund is used to account for the operations of the municipal lighting department.

Fiduciary Fund - Fiduciary activities are those in which the City acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the City, and are not available to be used. The City reports the following fiduciary fund:

Custodial Fund: this fund is used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units.

c) Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary funds, and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activities (between or within funds). However, internal eliminations do not include utility services provided to City departments. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

c) Measurement Focus and Basis of Accounting (continued)

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers property taxes to be available if they are collected 60 days after the end of the fiscal year. A 90 day availability period is used for recognition of all other governmental funds revenues.

In the governmental fund statements, expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences and pensions, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease liabilities are reported as other financing sources.

Operating income reported in the proprietary fund financial statements include revenue and expenses related to primary, continuing operations of the funds. Principal operating revenue for proprietary funds are charged to customers for sale or services. Principal expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

d) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy concerning which to apply first varies with the intended use and with associated legal requirements, many of which are described elsewhere in these Notes.

e) Interfund Transactions

The operations of the City include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The City typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities, fiduciary funds, and business-type activities). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the proprietary fund and the fiduciary fund.

The fund financial statements report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the City's practice to settle these amounts at a net balance based upon the right of legal offset. Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

f) Estimates

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

g) Cash and Cash Equivalents

For purposes of the statement of cash flows, the City includes all cash accounts, which are not subject to withdrawal restrictions, as cash on the accompanying balance sheet.

h) Accounts Receivable

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

i) Inventories

Inventories, which are comprised of materials and supplies (enterprise fund), are valued at the lower of average cost or market.

j) Capital Assets

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of general fixed assets reported in the financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Governmental activities:			
Buildings and Improvements	\$ 5,000	Straight line	20-75 years
Machinery and Equipment	\$ 5,000	Straight line	5-10 years
Infrastructure	\$ 5,000	Straight line	10-75 years
Business-type activities:			
Buildings	\$ 5,000	Straight line	50-75 years
Transmission & Distribution Equipment	\$ 5,000	Straight line	30-36 years
Machinery	\$ 5,000	Straight line	10 years
Office Equipment	\$ 5,000	Straight line	25 years

k) Deferred Outflows Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

k) Deferred Outflows Resources (continued)

The City has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide and proprietary statements of net position. This represents the effect of the net change in City's proportion of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. This includes the City's contribution to the pension systems (NYSERS and PFRS Systems) subsequent to the measurement date.

The second item relates to OPEB reporting in the government wide Statement of Net Position. This represents the effects of the net change in the actual and expected experience as well as the City's contribution to the OPEB plant subsequent to the measurement date.

The third item is related to defeasement losses in the government wide financial statements.

l) Deferred Inflows Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category.

The first item is related to unearned revenue. Unearned revenue arises when resources are received by the City before it has legal claim to them, as when grant monies or property taxes are received prior to incurrence of qualifying expenditures. The City reports unearned on its governmental funds balance sheet and Statement of Net Position as a deferral related to a future period.

The second item is related to pensions reported in the government wide Statement of Net Position. This represents the effect of the net change in the City's proportion of the collective net pension liability (NYSERS and PFRS) and differences during the measurement periods between the City's contributions and its proportion share of total contributions to the pension system not included in the pension expense.

The third item is related to OPEB reported in the government wide Statement of Net Position. This represents the effect of net changes of assumption or other inputs.

m) Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and may be entitled to payment for sick leave at various rates subject to certain maximum limitations.

Estimated vacation and sick leave accumulated by governmental fund type employees have been recorded in the general long-term debt account group except for the portion to be paid with current financial resources which has been recorded in the general fund and the portion related to proprietary fund which has been recorded as an expense when earned in the proprietary fund type.

Payment of vacation and sick leave recorded in the general long-term debt account group is dependent upon many factors; therefore, timing of future payments is not readily determinable.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

m) **Compensated Absences (continued)**

However, management believes that sufficient resources will be made available for the payments of vacation and sick leave when such payments become due.

n) **Other Benefits**

Eligible City employees participate in the New York State Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS).

In addition to providing pension benefits, the City provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with provisions of various employment contracts in effect at the time of retirement. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The City recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

City employees may elect to participate in the NYS Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

o) **Short-term Debt**

The City may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs) in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The City may issue Bond Anticipation Notes (BANs) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds.

p) **Long-term Liabilities**

Long-term liabilities include bonds payables, notes payable, and other obligations such as compensated absences payable, net pension liability, and other post-employment benefits. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current liabilities on their balance sheet.

In the government-wide and enterprise fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financial sources while discounts on debt issued are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

q) Equity Classifications

Government-wide statements:

In the government-wide statements and proprietary funds financial statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

Restricted net position – reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the City.

Fund statements

In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaids for \$838,641 and long-term loans and receivables for \$58,837.

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

At December 31, 2024, the City's restricted fund balance consisted of the following:

General Fund

Asset seizure reserve – an amount reserved to purchase equipment for the police department. The reserve balance at December 31, 2024 was \$261,866.

Aerial fire equipment reserve – an amount reserved for the future purchase of, or payment on, an aerial fire truck. The reserve balance at December 31, 2024 was \$81,014.

Clyde Lewis aircraft park reserve – an amount reserved for annual maintenance and upkeep of the aircraft. The reserve balance at December 31, 2024 was \$27,486.

Special Revenue Fund

Sewer

Capital reserve – this reserve was established on June 28, 1979, pursuant to Section 6(c) of the General Municipal Law for the acquisition, construction, and reconstruction of the City's sewer system. The reserve balance at December 31, 2024 was \$13,731,894.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

q) Equity Classifications (continued)

Water

Capital reserve – this reserve was established on June 28, 1979, pursuant to Section 6(c) of the General Municipal Law for the acquisition, construction, and reconstruction of the City's water system. The reserve balance at December 31, 2024 was \$689,926.

Library

Capital reserve - this reserve was established on October 22, 2013, pursuant to Section 6(c) of the General Municipal Law for the acquisition, construction, and reconstruction of the City's library. The reserve balance at December 31, 2024 was \$112,311.

Recreation

Capital reserve - this reserve was established on October 7, 2021, pursuant to Section 6(c) of the General Municipal Law for the acquisition, construction, and reconstruction of the City's recreation complex facilities. The reserve balance at December 31, 2024 was \$74,967.

Special Grants

Other restricted reserve – an amount reserved for community development. The reserve balance at December 31, 2024 was \$22,694,377.

Debt Service Fund

Mandatory reserve for indebtedness – pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, inclusive of premium of generally all indebtedness incurred by the City, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds or gain must be used only for payment of the principal of and/or interest of the indebtedness from which these proceeds were derived. The reserve balance at December 31, 2024 was \$2,189,814.

Capital Projects Fund

This fund is required to be maintained by Section 6(c) of the General Municipal Law. These monies can only be used for construction, reconstruction, or acquisition of a specific or type of capital improvement. The reserve balance at December 31, 2024 was \$4,341,690.

Enterprise Fund

Electric distribution system bond reserve fund - established on July 27, 1978 pursuant to Section 6(h) of the General Municipal Law for the payment of bonded indebtedness. Maximum allowed accumulation up to two years of debt service. The reserve balance at December 31, 2024 was \$0.

Reserve for capital projects (Municipal Lighting) – this reserve is required to be maintained by Section 6(k) of the General Municipal Law. These monies can only be used for improvements, extensions, or replacements of electric services or for payments of indebtedness incurred for such purposes. The reserve balance at December 31, 2024 was \$0

Retirement reserve – this reserve includes the amount of cash specifically set aside for the purpose of financing retirement contributions to the NYS and local employees retirement system pursuant to section 17 or 317 of the retirement and social security law. The reserve balance at December 31, 2024 was \$0.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

q) Equity Classifications (continued)

High density load service reserve – this reserve includes the amount of cash specifically set aside for the purpose of funding the Purchase Price Adjustment Charge (PPAC) generated monthly by high-density electric accounts involved in the Crypto-Currency mining business when that usage is determined to cause the City's utility to exceed the monthly hydro-electric power allocation being resold to commercial and residential customers resulting in customer's being invoiced at a higher cost than the hydro-electric rate. The reserve balance at December 31, 2024 was \$3,866,343.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, i.e., the Mayor and common council. The City has no committed fund balances as of December 31, 2024.

Assigned – Includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, the assigned fund balance represents the residual amount of fund balance. The assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as assigned fund balance. Appropriated fund balance in the General Fund amounted to \$0. Encumbrances consisted of the following at December 31, 2024:

	General	Special Revenue	Total
General government	\$ 97,420	-	97,420
Public safety	288,628	-	288,628
Transportation	22,560	-	22,560
Culture and recreation	-	8,561	8,561
Economic assistance and opportunity	91,465	-	91,465
Home and community services	11,572	365,779	377,351
Total	\$ 511,645	\$ 374,340	\$ 885,985

Unassigned – Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the City. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

Net Position/Fund Balance

Net position flow assumption: Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to be reported as restricted – net position and unrestricted net position in the government wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund balance flow assumption: Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to be reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

q) Equity Classifications (continued)

Order of use of fund balance - 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 at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignment of fund balance cannot cause a negative unassigned fund balance.

r) Implementation of New Accounting Standards

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections ("ACEC"). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information. The requirements of this statement are effective for ACECs made for the fiscal year ending December 31, 2024.

Note 2. Stewardship, Compliance and Accountability

Budgetary data

Budgetary policy and practice

On or before October 1 of each year, the Mayor submits to the Common Council a proposed tentative operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments on or before October 22. Prior to January 15, the budget is adopted by the Common Council. The Budget Committee is authorized to approve certain budget transfer requests within departments, within a fund; however, the Common Council must approve any revisions that alter total expenditures of any department or fund. For year-end financial reporting, adjustments are made to actual results to conform to modified budget classifications and reflect year-end encumbrances.

The City does not prepare an operating budget for the Community Development Fund. Therefore, this fund's activities have been eliminated in the Statement of Revenues and Expenditures - Budget and Actual -Special Revenue Fund for year-end financial reporting.

Budget/GAAP reconciliation

The budgetary data for is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations are presented in accordance with budgetary accounting principles to provide a meaningful comparison to the budgetary data. The following is a summary of adjustments made to the special revenue funds actual revenues and expenditures to conform to the budgetary basis of accounting:

		Special Revenue Fund
<u>Revenues</u>		
Revenues included in budget comparison	\$	13,278,195
Add: revenues from the Community Development Fund		533,923
Total revenues (GAAP basis)	\$	<u>13,812,118</u>

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 2. Stewardship, Compliance and Accountability (continued)

Expenditures

Expenditures included in budget comparison	\$	10,186,415
Add: Expenditures from the community development fund		<u>520,055</u>
Total expenditures (GAAP basis)	\$	<u>10,706,470</u>

Budgetary controls

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, equipment and capital outlay, contractual expense, employee benefits, transfers, and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to the approval of the City Council. Revisions to the budget were made throughout the year.

Budget basis of accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Open encumbrances at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Fund balance/net position deficits

The Parking Authority Fund has a fund deficit at December 31, 2024 of \$90,310. This will be liquidated through transfer from the General Fund in future years.

The City has a net position deficit in the governmental activities of \$12,217,412 at December 31, 2024. This is a result of the other post-employment benefits being fully unfunded.

Note 3. Explanation of Differences Between Governmental Fund Statements and Government-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental funds statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds. Total fund balances of the City's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 3. Explanation of Differences Between Governmental Fund Statements and Government-wide Statements (continued)

Explanation of difference between Governmental Fund Balance and Government-wide Net Position

Ending fund balance reported on governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 35,678,373
Assets	
Long-term:	
Capital assets, net of related depreciation	139,854,335
Deferred outflows of resources:	
Pensions	8,970,151
Other post-employment benefits	13,656,353
Defeasement loss	17,242
Liabilities:	
Long-term:	
Bonds and notes payable	(38,922,708)
Compensated absences	(3,102,523)
Net pension liability – proportionate share	(9,822,599)
Other post-employment benefits	(122,114,633)
Accrued interest	(80,913)
Deferred inflows of resources:	
Pensions	(4,410,137)
Other post-employment benefits	<u>(31,940,383)</u>
Ending net position reported in Statement of Position for governmental activities	\$ <u>(12,217,442)</u>

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five categories. The amounts shown below represent:

i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 3. Explanation of Differences Between Governmental Fund Statements and Government-wide Statements (continued)

iv) Pension differences:

Pension differences occur as a result of changes in the City's proportion of the collective net pension asset/liability and difference between the City's contributions and its proportionate share of the total contributions to the pension system.

v) Other post-employment benefits:

Other post-employment benefits differences occur as a result of changes in the City's OPEB liability and differences between the City's contributions and OPEB expenses.

Explanation of Differences Between the Governmental Funds Operating Statements and the Government-wide Statement of Activities

Total revenues and other funding sources of governmental funds	\$ 97,002,788
Transfers between governmental funds	(9,735,383)
Proceeds from long-term debt	(19,079,032)
BANS redeemed	(16,604,149)
Proceeds from bond premium	(709,557)
Total revenues of governmental activities in the Statement of Activities	\$ <u>50,874,667</u>

Total expenditures reported in governmental funds	\$ 82,594,754
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned were greater than the amount used during the year.

(51,667)

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Current year additions	(11,316,522)
Current year depreciation and reclassifications	5,955,636

Repayment of bond and capital lease principal is an expenditure in the governmental funds but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Principal	(37,667,033)
Accrued interest	(536,770)
Amortization of bond premium	(64,021)
Amortization of defeasement loss	(17,242)

The payment of other post-employment benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the annual OPEB cost exceeded the premiums paid.

(7,904,284)

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

	1,435,605
Total expenses of governmental activities in the Statement of Activities	\$ <u>32,428,456</u>

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 4. Deposits and Investments

The City's investment policies are governed by State statutes. City monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The City Chamberlain is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Government and its agencies and obligations of the State of New York.

The carrying amount of cash and cash in time deposits at December 31, 2024, is comprised as follows:

	Non-Restricted Cash	Restricted Cash
Petty cash funds	\$ 6,970	\$ -
Deposited with financial institution	11,793,451	23,914,678
	<u>\$ 11,800,421</u>	<u>\$ 23,914,678</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits.

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

Deposits and investments at year-end were entirely covered by either the FDIC or by collateral held by the City's designated third-party custodial banks in the City's name. The City's bank balances totaled \$34,042,311 of which, \$33,203,877 was covered by Federal depository insurance and \$838,434 was covered by collateral.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required to be reserved for various purposes. Restricted consists of the following at December 31, 2024:

Fund	Restricted Cash Balance	Restriction
General	\$ 81,014	Fire equipment purchases
	261,866	Police equipment purchases
	27,486	Clyde Lewis aircraft park maintenance
Total General	<u>370,366</u>	
Special Revenue	<u>17,219,354</u>	Water, Sewer, Recreation, & Library capital reserves
Debt Service	<u>2,225,614</u>	Bond Debt Reserve – Time Deposit
Enterprise	<u>3,866,343</u>	Other Deposits
Custodial	<u>233,001</u>	Other
	<u>\$ 23,914,678</u>	

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 5. Economic Development Loans

The City has established an economic development revolving loan program to create new employment opportunities for low or moderate-income residents of the City through the expansion of existing or creation of new business in the City. Community Development Block Grant funds were used to issue the loans and as repayments are received, the City will provide additional economic development assistance to residents of the City. The balance of these loans at December 31, 2024 was \$125,121 maturing at various dates, bearing interest from 2.44% to 6.38%, collateralized by various property liens.

During 1998, the City established the Facade III Program which provided loans to business owners in the Central Business District for building facade rehabilitation. Dollars for this program are part of the Economic Development Loan Fund. Loans are \$10,000 per store front or \$24 per square foot whichever is greater to qualifying property owners. The loans are over seven years at 3% interest. The balance of these loans at December 31, 2024 was \$166.

Note 6. Accounts Receivable

Receivables at year-end for individual funds are as follows:

Description	General Fund	Capital Project Fund	Special Revenue Funds	Total
Taxes receivable, net	\$ 544,460	\$ -	\$ -	\$ 544,460
Other receivable	244,109	-	1,423,920	1,668,029
State and federal receivable	1,670,574	-	24,314	1,694,888
Economic development loans, net		-	142,462	142,462
Due from other governments	1,731,512	-	-	1,731,512
Total	<u>\$ 4,190,655</u>	<u>\$ -</u>	<u>\$ 1,590,696</u>	<u>\$ 5,781,351</u>

Note 7. Capital Assets

Governmental activities capital assets for the year ended December 31, 2024 was as follows:

	(Restated) 12/31/23 Balance	Additions	Retirements Reclassify	12/31/24 Balance
Capital assets that are not depreciated:				
Land	\$ 22,857,793	\$ -	\$ -	\$ 22,857,793
Construction in progress	788,786	225,633	702,851	311,568
Total	<u>23,646,579</u>	<u>225,633</u>	<u>702,851</u>	<u>23,169,361</u>
Capital assets that are depreciated:				
Infrastructure	141,842,679	7,698,713	-	149,541,392
Buildings & improvements	48,860,339	2,873,291	-	51,733,630
Machinery & equipment	27,257,642	1,221,736	-	28,479,378
Total	<u>217,960,660</u>	<u>11,793,740</u>	<u>-</u>	<u>229,754,400</u>
Less accumulated depreciation:				
Infrastructure	54,112,055	3,863,057	-	57,975,112
Buildings & improvements	38,190,898	730,051	-	38,920,949
Machinery & Equipment	14,810,837	1,362,528	-	16,173,365
Total	<u>107,113,790</u>	<u>5,955,636</u>	<u>-</u>	<u>113,069,426</u>
Governmental activities capital assets, net	<u>\$ 134,493,449</u>	<u>\$ 6,063,737</u>	<u>\$ (702,851)</u>	<u>\$ 139,854,335</u>

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 7. Capital Assets (continued)

Depreciation was charged to governmental functions as follows:

General government	\$ 893,345
Public safety	297,782
Transportation	1,786,691
Economic assistance and opportunity	297,782
Culture and recreation	297,782
Home community services	2,382,254
	<u>\$ 5,955,636</u>

Business-type activities capital assets activities for the year ended December, 2024 was as follows:

	12/31/23 Balance	Additions	Retirements Reclassify	12/31/24 Balance
Capital assets that are not depreciated:				
Land	\$ 703,561	\$ -	\$ 28,164	\$ 675,397
Construction in progress	445,652	1,660,410	1,878,766	227,296
Total	<u>1,149,213</u>	<u>1,660,410</u>	<u>1,906,930</u>	<u>902,693</u>
Capital assets that are depreciated:				
Buildings	2,329,321	-	500,685	1,828,636
Improvements	68,616,341	1,112,601	43,534	69,685,408
Machinery & equipment	12,801,764	1,113,442	550,256	13,364,950
Total	<u>83,747,426</u>	<u>2,226,043</u>	<u>1,094,475</u>	<u>84,878,994</u>
Less accumulated depreciation:				
Buildings	355,429	23,901	253,774	125,556
Improvements	44,102,889	1,987,701	125,613	45,964,977
Equipment and vehicles	11,337,375	558,623	573,331	11,322,667
Total	<u>55,795,693</u>	<u>2,570,225</u>	<u>952,718</u>	<u>57,413,200</u>
Business-type activities capital assets, net	<u>\$ 29,100,946</u>	<u>\$ 1,316,228</u>	<u>\$ (2,048,687)</u>	<u>\$ 28,368,487</u>

Note 8. Interfund Balances and Activity

Interfund balances and activity at December 31, 2024 and for the fiscal year then ended, were as follows:

Fund	Interfund		Interfund	
	Receivable	Payable	Transfers in	Transfers out
General	\$ 790,473	\$ 650,323	\$ 1,262,435	\$ 4,985,586
Capital Projects	650,323	-	2,566,787	1,507,636
Debt Service	-	35,800	5,198,491	-
Parking Authority	-	85,882	90,671	66,721
Recreation	-	8,340	423,408	145,117
Water	-	172,448	-	1,406,579
Sewer	-	170,120	90,049	1,618,897
Library	-	-	756,539	4,847
Enterprise	94,407	412,290	-	652,997
Custodial	-	-	-	-
Total	<u>\$ 1,535,203</u>	<u>\$ 1,535,203</u>	<u>\$ 10,388,380</u>	<u>\$ 10,388,380</u>

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 8. Interfund Balances and Activity (continued)

Governmental fund interfund receivables and payables are eliminated on the Statement of Net Position. The City typically transfers money from the General and Special Revenue Funds to the Debt Service Fund, where it makes principal and interest payments on the City's bonds. The City typically transfers money from the General Fund to the Special Revenue Fund to supplement certain programs and activities.

Note 9. Indebtedness

Long-term debt

Long-term liability balances and activity for the year ended December 31, 2024 are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation bonds	\$ 40,069,134	\$ 19,079,032	\$ 21,062,884	\$ 38,085,282
Bond premium, net of amort	191,890	709,557	64,021	837,426
Other liabilities:				
Net OPEB liabilities	103,990,160	18,124,473	-	122,114,633
Net pension liability	12,674,674	-	2,852,075	9,822,599
Compensated absences	3,154,190	-	51,667	3,102,523
Total	<u>\$ 160,080,048</u>	<u>\$ 37,913,062</u>	<u>\$ 24,030,647</u>	<u>\$ 173,962,463</u>
Business-type activities:				
General obligation bonds	\$ 3,869,709	\$ 837,741	\$ 1,511,982	\$ 3,195,468
Bond premium, net of amort	168,355	35,800	54,003	150,152
Other liabilities:				
Net OPEB liabilities	13,066,762	1,923,039	-	14,989,801
Net pension liability	1,736,236	-	561,347	1,174,889
Compensated absences	551,396	-	15,746	535,650
Total	<u>\$ 19,392,458</u>	<u>\$ 2,796,580</u>	<u>\$ 2,143,078</u>	<u>\$ 20,045,960</u>

Total interest expenditures for the year ended December 31, 2024 were as follows:

	Governmental Activities	Business Type Activities
Interest paid	\$ 1,192,256	\$ 118,620
Increase (decrease) in accrued interest	(536,770)	(16,578)
Amortization – bond premium	(64,021)	54,003
Defeasement loss	(17,242)	-
Totals	<u>\$ 574,223</u>	<u>\$ 156,045</u>

In the governmental activities, bond premiums of \$687,987 and 709,557 are amortized over 10 years and 20 years (life of the bond) using the interest method. Amortization of the premium was \$64,021 for the year ended December 31, 2024 and is included in interest expense. In the business-type activities, bond premiums of \$507,701 and \$35,800 are amortized over 10 years (life of the bond) using the interest method.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 9. Indebtedness (continued)

Amortization of the premium was \$54,003 for the year ended December 31, 2024 and is included in interest expense.

Long-term liabilities outstanding were comprised of the following at December 31, 2024:

Governmental activities

Description of Issue	Issue date	Final maturity	Interest rate	Original amount	Balance
Serial bond	6/1/17	2026	2.125% - 3.000%	\$ 1,870,200	\$ 135,000
Serial bond	11/1/17	2029	2.250% - 3.000%	8,839,095	2,700,000
Serial bond	8/8/19	2029	4.000% - 5.000%	1,252,073	121,826
Serial bond	8/8/19	2030	3.000% - 5.000%	5,512,615	2,143,316
Serial bond	10/29/20	2030	1.000% - 2.000%	6,488,519	3,975,000
Serial bond	5/1/12	2029	1.955% - 3.468%	2,369,771	750,000
Serial Bond	11/14/24	2044	4.000% - 5.000%	17,313,706	17,313,706
BAN	8/5/21	2025	0.000%	3,656,559	3,403,559
BAN	5/4/23	2025		4,869,987	4,869,987
BAN	11/3/22	2025		19,302,226	1,035,431
BAN		2025		2,474,883	2,474,883
					38,922,708
Less current portion					(14,816,455)
Long-term portion					\$ 24,106,253

Business-type activities

Description of Issue	Issue date	Final maturity	Interest rate	Original amount	Balance
Serial bond	8/8/19	2029	4.000% - 5.000%	5,131,000	\$ 2,472,079
Serial bond	11/14/24	2044	4.000% - 5.000%	873,771	873,541
					3,345,620
Less current portion					(596,764)
Long-term portion					\$ 2,748,856

The following is a summary of maturing debt service requirements:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 14,816,455	\$ 873,050	\$ 15,689,505	\$ 596,764	\$ 83,967	\$ 680,731
2026	2,954,914	807,775	3,762,689	582,989	68,932	651,921
2027	2,798,487	723,841	3,522,328	573,059	53,850	626,909
2028	1,962,934	643,187	2,606,121	573,601	35,658	609,259
2029	1,992,751	585,696	2,578,447	551,307	30,374	581,681
2030-						
2034	5,347,390	2,131,560	7,478,950	467,900	42,550	510,450
2035-						
2039	4,522,390	1,209,210	5,731,600	-	-	-
2040-						
2044	4,527,387	352,813	4,880,200	-	-	-
	\$ 38,922,708	\$ 7,327,132	\$ 46,249,840	\$ 3,345,620	\$ 315,331	\$ 3,660,951

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 10. Property Taxes

Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the general fund. Accruals for "due to other funds" are recorded in the general fund for the portion of the tax revenue allocated to other funds. Taxes for City purposes are based on City budget requirements. The City also bills and collects taxes levied by Clinton County. The City guarantees the collection of the county levies.

Any properties with unpaid taxes for more than two years are seized through the foreclosure process in accordance with article 11 of the New York State Real Property Tax Law. Additionally, the City enforces collection of unpaid City school taxes transmitted by the school district to the City in December of each year.

Uncollected property taxes assumed by the City as a result of the settlement proceedings are reported as receivable in the general fund to maintain central control and provide for tax settlement and enforcement proceedings. An allowance for uncollectible accounts has been established. The City may not levy taxes in excess of 2% of the average full valuation for the previous five years.

The following calendar pertains to City real property taxes as provided for by Title XIV of the City Charter:

Taxable Status Date - March 1

Levy Date - On or before January 14

Lien Date - January 1

Date taxes due - March 15, April 15, May 15, and June 15 or the next business day after these dates

Date penalty period begins - Taxes remaining unpaid at the end of 30 days after each respective due date.

Note 11. Pension Plans

New York State and Local Employees' Retirement System (ERS) and the New York State Police and Fire Retirement System (PFRS)

Plan description

The Town participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which is collectively referred to as New York State and Local Retirement System (the System).

This is a cost-sharing multiple employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all 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 provision of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State Statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at: www.osc.state.ny.us/retire/publications/index.php or by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pensions (continued)

Benefits provided

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

Tiers 1 and 2

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

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

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

Tiers 3, 4 and 5

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

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

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

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pensions (continued)

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-year plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Post-Retirement Benefit Increases

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

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pensions (continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set for by law. The first \$50,000 of ordinary death benefit is paid in the form of group term life insurance.

The benefit is generally three times the members' annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Contributions

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3.0 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employer's contributions based on salaries paid during the System's fiscal year ending March 31.

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

	ERS	PFRS
2024	\$ 1,291,251	\$ 1,870,880
2023	1,060,422	1,667,364
2022	933,656	1,401,363

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

At December 31, 2024, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and PFRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation.

The Town's proportion of the net pension asset/(liability) was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS System in reports provided to the Town.

	ERS	PFRS
Actuarial valuation date	4/1/23	4/1/23
Net pension liability	\$ 4,023,591	\$ 6,973,897
Town's portion of the Plan's total net pension asset/(liability)	0.0273267%	0.1470410%

For the year ended December 31, 2024 the Town recognized pension expense of \$1,650,716 for ERS and \$2,261,914 for PFRS.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pension Plans (continued)

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

	Governmental Activities			Business-type Activities	Total Primary Government
Deferred outflows of resources:	ERS	PFRS	Total	ERS	ERS and PFRS
Differences between expected and actual experiences	\$ 907,197	\$ 2,148,564	\$ 3,055,761	\$ 378,431	\$ 3,434,192
Changes of assumptions	1,064,861	2,630,560	3,695,421	444,199	4,139,620
Changes in proportion and differences between the City's contributions and proportionate share of contributions	58,916	71,560	130,476	24,576	155,052
District's contributions subsequent to the measurement date	685,333	1,403,160	2,088,493	283,105	2,371,598
Total	<u>\$ 2,716,307</u>	<u>\$ 6,253,844</u>	<u>\$ 8,970,151</u>	<u>\$ 1,130,311</u>	<u>\$ 10,100,462</u>
	Governmental Activities			Business-type Activities	Total Primary Government
Deferred inflows of resources:	ERS	PFRS	Total	ERS	ERS and PFRS
Differences between expected and actual experiences	\$ 77,677	\$ -	\$ 77,677	\$ 32,036	\$ 109,713
Changes of assumptions	-	-	-	-	-
Net difference between projected and actual earnings on pension plan benefits	1,391,576	1,893,076	3,284,652	573,927	3,858,579
Changes in proportion and differences between the District's contributions and proportionate share of contributions	132,214	645,594	777,808	54,529	832,337
Total	<u>\$ 1,601,467</u>	<u>\$ 2,538,670</u>	<u>\$ 4,140,137</u>	<u>\$ 660,492</u>	<u>\$ 4,800,629</u>

The City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS
Year ended:		
2025	\$ (807,263)	\$ (666,581)
2026	711,100	1,866,723
2027	1,178,270	1,070,621
2028	(442,675)	(239,078)
2029	-	280,330
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. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS
Measurement date	March 31, 2024	March 31, 2024
Actuarial valuation date	April 1, 2023	April 1, 2023
Interest rate	5.90%	5.90%
Salary scale	4.40%	6.2%
Inflation rate	2.90%	2.90%
Cost of living adjustment	1.50%	1.50%

To set the long-term expected rate of return on pension plan investments, consideration was given to a building block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021. Best estimates of the arithmetic real rates for each major asset class included in the target asset allocation are summarized as follows:

Asset type	Target allocation	Long-term expected real rate of return
Domestic equity	32.0%	4.05%
International equity	15.0	6.30
Private equity	10.0	6.75
Real estate	9.0	4.95
Absolute return strategies	3.0	4.50
Credit	4.0	3.63
Real assets	3.0	5.95
Fixed income	23.0	0.00
Cash	1.0	0.50
	100.0%	

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pensions (continued)

The real rate of return is net of the long-term inflation assumption of 2.90%.

Discount rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and PFRS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for ERS and PFRS) or 1 percentage point higher (6.90% for ERS and PFRS) than the current rate:

	1% Decrease (4.90%)	Current discount rate (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (12,650,582)	\$ (4,023,591)	\$ 3,181,736
<u>PFRS</u>	1% Decrease (4.90%)	Current discount rate (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (16,299,633)	\$ (6,973,897)	\$ 730,524

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset (liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended December 31, 2024 is \$1,650,716 for ERS and \$2,261,914 for PFRS.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 11. Pensions (continued)

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	Total
Employers' total pension liability	\$ 240,696,851	\$ 46,137,717	\$ 286,834,568
Fiduciary net position	225,972,801	41,394,895	267,367,696
Employers' net pension liability (asset)	\$ 14,724,050	\$ 4,742,822	\$ 19,466,872
Ratio of fiduciary net position to the Employers' total pension liability	93.88%	89.72%	93.21%

Note 12. Post-Employment Benefits

The City provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the City's contractual agreements.

General information about the OPEB plan

Plan description – The City's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the City. The plan is single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy - The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits provided -The City provides healthcare benefits for retirees and their dependents. The benefits terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employee Covered by Benefit Terms – At December 31, 2024, the following employees were covered by the benefit terms:

Active not eligible to retire	188
Actives eligible to retire	20
Inactive employees entitled to but not yet receiving benefit payments	-
Retired and surviving spouses	243
Retiree spouses covered	157
Total plan members	608

Net OPEB liability

The City's total OPEB liability of \$137,104,434 was measured as January 1, 2022 and was determined by an actuarial valuation as of January 1, 2022.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 12. Post-Employment Benefits (continued)

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

Inflation	2.30%
Salary Increases	3.30%
Discount Rate	3.88%
Healthcare Cost Trend Rates	
Medical	5.30% for 2023, decreasing varies per year to an ultimate rate of 3.71% for later years

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality

Retirement rates only apply upon retirement eligibility. Upon retirement eligibility the retirement rate is the greater of withdrawal and retirement rates. Employees that do not meet the retirement eligibility by age 70 are assumed not to receive benefits under the plan. Termination rates are based on the 2003 society of actuaries small plan withdrawal. Rates are assumed to continue until retirement eligibility. Upon retirement, eligibility rates are assumed to be zero. The discount rate was based tax exempt high quality 20 year tax exempt general obligation municipal bond yield or index rate.

Changes in the Total OPEB Liability

Changes in the District's net OPEB liability were as follows:

Balance at December 31, 2023	\$ 117,056,922
<u>Changes for the Year -</u>	
Service Cost	664,805
Interest	5,216,761
Changes of benefit terms	2,414,672
Differences between expected and actual experience	4,478,355
Changes in assumptions or other inputs	12,564,461
Benefits payments	(5,291,542)
Net Changes	<u>20,047,512</u>
Balance at December 31, 2024	\$ <u>137,104,434</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.64% in 2023 to 3.88% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.40%) or 1 percentage point higher (5.50%) than the current discount rate:

	1% Decrease (2.88%)	Discount rate (3.88%)	1% Increase (4.88%)
Total OPEB Liability	\$ <u>159,192,323</u>	\$ <u>137,104,434</u>	\$ <u>119,575,238</u>

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 12. Post-Employment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ <u>118,928,551</u>	\$ <u>137,104,434</u>	\$ <u>159,907,905</u>

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 an OPEB expense of \$(3,580,728).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,712,161	\$ 7,877,254
Changes of assumptions or other inputs	10,424,026	26,413,984
Employer contribution subsequent to the measurement date (Expected employer contribution including implicit subsidy)	1,333,758	-
Total	\$ <u>15,469,945</u>	\$ <u>34,291,238</u>

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

Fiscal Year Ended:	
2025	\$ (11,876,966)
2026	(11,228,581)
2027	(2,077,626)
2028	2,518,450
2029	2,509,671
Thereafter	-

Note 13. Franchise Fee Revenue

The City has a cable contract with Charter Communications and the City receives 5% of total gross revenue. Included in non-property tax items in the General Fund franchise fee revenue was \$191,403 based on gross revenue of \$3,828,060.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 14. Risk Management

The City is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settle claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

Note 15. Commitments and Contingencies

Purchase of Electricity

The Plattsburgh Municipal Lighting Department (PMLD) is now a partial requirements service customer of the Power Authority of the State of New York (NYPA), receiving electric service under St. Lawrence Contract S-3 which originally expired in the year 2013 but has been extended to 2025. Effective May, 1998, PMLD is billed under Service Tariffs 39A and 39B.

PMLD will receive incremental power from the New York Municipal Power Agency (NYMPA) pursuant to NYPA Service Tariff No. 39B.

Durkee Street Lease

A 99 year commercial lease was signed in May 2006 between the City of Plattsburgh and ICV-New York, LLC for the use of land. Rent is \$1,000 per year for the first five years with a CPI increase measured for the previous year or 3% increase, whichever is less, beginning in the second year and continuing through year five. The rent increases to \$5,000 for years six through ten, to \$15,000 for years eleven through fifteen and to \$20,000 for years sixteen through ninety-nine. Each incremental rent increase will have a similar CPI increase or a 3% increase applied, whichever is less, during the second year of that incremental rent change and continuing each year of that incremental period until the next incremental rent increase is reached or until the last year of the agreement.

Clyde Lewis Park Trust

In June 2008, the City entered into an agreement with Plattsburgh Airbase Redevelopment Corp. (PARC) to be the caretaker of two aircraft (an FB-111A and B-47) on display at Clyde Lewis Park. The City is responsible for the maintenance and upkeep of the Aircraft. As part of the agreement, PARC made a grant to the City amounting to \$50,000 which the City shall invest and apply the earned interest toward the annual maintenance and upkeep. The principal amount of the Grant proceeds may be applied toward the cost of returning the aircraft to the United States Air Force Museum (USAFM) or the cost to repair the Aircraft should catastrophic damage occur as a result of a natural disaster or other unforeseen event. In the event the City is in default under this agreement, the City shall be obligated to repay to PARC the full amount of the Grant. The reserve balance was \$27,486 at the end of 2024 after repair costs of \$36,000 were paid during 2017, 2018 and 2021 for weather and nature related damages to the aircraft net of the interest earnings from the inception of the reserve through the end of 2024 totaling \$13,486.

Lawsuits

The City has been named, in the normal course of operations, as a defendant in numerous claims according to its insurance carrier. In the opinion of the City, after considering all relevant facts, except as stated below, the ultimate losses not covered by insurance resulting from such litigation could have the potential to be in the range of \$25,000 to \$100,000 taken as a whole.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 15. Commitments and Contingencies (continued)

The City is subject to the following types of risk: general liability and property damage; theft, dishonesty and forgery; special hauling; disability; ambulance errors and omissions; accidental death; and legal enforcement liability. For these kinds of risks, the City has purchased commercial insurance which is significant in amount to risk exposure. All claims are routinely turned over to the insurance carriers.

There are several real property tax cases pending against the City. Historically, many cases are abandoned and settled by modest reductions in assessed value in future years or negotiated settlements are agreed upon. In the opinion of the City, the potential liability in individual cases cannot be estimated at this time, the claims in the aggregate are believed to be material.

Sewage Treatment Facilities

The City of Plattsburgh has a long-term contract covering the period of indebtedness for its Water Pollution Plant with Georgia Pacific and Tenneco Packaging, which guarantee a significant portion of the capital indebtedness outstanding for this project.

Other significant users who pay or have paid a significant part of the capital investment in these facilities are the Plattsburgh State University of New York and the City of Plattsburgh. Operations and maintenance costs are billed on a monthly usage basis.

Grant Programs

The City participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The City believes, based upon its review of current activity and prior experience, the amount of disallowance resulting from these audits, if any, will not be significant to the City's financial position or results of operation.

Environmental Concerns

In the normal course of operations, the City is engaged in many activities (i.e. utility service, refuse disposal, and gasoline storage) that are potentially hazardous to the environment. As of December 31, 2024, the City has not disclosed any significant environmental problems in the financial statements.

In 1997, leachate from a closed municipal landfill was discovered and found to contain hazardous substances. The City has acted on a request from the DEC to determine the nature of the substances and the measures necessary to resolve the problem.

The enforcement proceeding has been settled by a consent order. The City agreed to re-close the landfill at an estimated cost of \$4,691,000. The City has been awarded a grant to pay approximately 50% of the cost, or \$2,336,492. The cost to the City is \$2,369,771 and has been paid with proceeds from a loan from the Environmental Facilities Corporation. On November 1st, 2016, the City became eligible to make a grant application to the NYS DEC under the Landfill Closure State Assistance Program for the potential cost recovery of \$1,292,366, representing one-half of the unfunded landfill project cost qualified under the grant program. The cost recovery grant amount was received on May 8th, 2017, and was used to establish a debt service reserve, and has been applied to the debt service for the NYS EFC serial bonds issued in 2012 from 2017 forward. At the end of 2024, the reserve balance of the NYS DEC funding was \$2,189,814.

On May 1, 2003, the New York State Department of Environmental Conservation notified the City that it was issuing a modified State Pollutant Discharge Elimination System (SPDES) permit that contained a number of permit changes including, but not limited to, increased limitations on the discharge of four pollutants.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 15. Commitments and Contingencies (continued)

The City is currently taking administrative action to challenge the modified SPDES permit. The outcome of the administrative action is indeterminable at present.

City Court Lease

On July 1, 2003, the City entered into a 99 year lease agreement with Oval Development, LLC to lease the City Court at 22 US Oval. The lease expires July 1, 2102. All rent was paid in advance upon signing of lease.

Contract Negotiations

The City's contract with Local 788 and New York Council 66 of the American Federation of State, County and Municipal Employees, AFL-CIO, expired on June 30th, 2024. Negotiations concluded on May 1st, 2024, with a contract renewal, to be voted on August 15th, 2024, covering the five year period from July 1st, 2024 through June 30th, 2029. Payroll increases under the new agreement begin with two \$1.00 per hour pay rate hikes each occurring on 1/1/2025 and 1/1/2027, then three 3% increases each occurring on 1/1/2026, 1/1/2028 and 1/1/2029, equaling a compounded pay increase of 17.44% over the contract period.

The City's contract with Local 2421 of The International Association of Firefighters was settled on September 1st, 2023 establishing pay increases for the four year period of January 1st, 2023 through December 31st, 2026. The pay rates settled in the negotiations are a \$1.00 per hour increase to all specific pay rates compounded by a 1.5% increase applied to those increased pay rates as of 1/1/2023, and the creation of two new, specific pay rates covering years of service 8 to 10 and years 13 to 16 along with a \$.50 per hour increase within all EMT pay rate supplements added to each qualified firemen's pay. The pay rate increases for the remaining years as of 1/1/2024, 1/1/2025 and 1/1/2026 are all set at 1.5%. All the above mentioned pay rate increases combine for a period total pay increase of 11.47%.

The City's contract with Local 812 of the Plattsburgh Police Officers Union and New York Council 82 of the American Federation of State, County and Municipal Employees, AFL-CIO, expired on December 31st, 2016. Negotiations have concluded and have reached a settlement to renew the contract through December 31st, 2025, with 1.5% compounded pay rate increases for retro-active pay for the years beginning January 1st, 2017, 2018, 2019, 2020, 2021 and 2022 through July 6th, 2022, and annual compounded pay increases forward for January 1st, 2023, 2024 and 2025. The economic impact of the retro-active pay increases amounts to roughly \$872,433 for payroll and \$311,860 for corresponding benefits, for a total economic impact of an estimated \$1,184,292. There are specific pay rate increases for new hires that raise the starting pay from \$15.27 per hour to \$19.00 per hour, or a 24.43% increase, for year one of employment beginning July 8th, 2022, and effective January 1st, 2023, that rate changes to \$20.00 per hour for year one of employment, \$21.50 per hour for year two, \$24.50 for year 3, \$27.00 for year 4, \$31.24 for year 5 and then that wage schedule increases by 1.5% beginning on January 1st, 2024 and again on January 1st, 2025. In addition, the pay schedule for officers employed during years 8 through 23, will increase by \$1,000 annually beginning on January 1st, 2023 and on January 1st, 2024 and then increase \$250 annually beginning on January 1st, 2025.

The City's contract with Local 788 and New York Council 66 of the American Federation of State, County and Municipal Employees, AFL-CIO for the Plattsburgh Public Library, expired on June 30, 2022, and was renewed on November 22nd, 2022, for four years through June 30, 2026. The contract negotiations provide for a 3% increase on 7/1/2022, a 2% increase 7/1/2023 a 2% increase on 7/1/2024 and a 3% increase on 7/1/2025 per employee except for the Library Pages who will receive these increases or NYS Minimum Wage, whichever is higher.

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 15. Commitments and Contingencies (continued)

The City's contract with Local 1249 of the International Brotherhood of Electrical Workers, AFL-CIO, expired on June 30th, 2022, and was renewed by the local union and the City council, through June 30th, 2027, with a basic payroll increase per year of 1.5% for all workers, except that line personnel will receive an additional pay increase of 3% in year one, an additional 1.25% in year two, an additional 1.25% in year three and finally just 1.5% increases in years four and five, as with the non-line personnel in years four and five. That translates into compounded increases of 4.5%, 2.75%, 2.75%, 1.5% and 1.5% for all line personnel, with all other employee rates increasing 1.5% compounded for five years.

Note 16. Related Party

The Plattsburgh Housing Authority (the "Authority") was created in 1951 by the New York State Legislature. Even though five out of seven members of the board are appointed by the Mayor, the City is not financially accountable for the Authority and, therefore, does not meet the requirements of GASB 61 for discrete component unit presentation.

Note 17. Tax Abatements

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with the following entities as of December 31, 2024:

PILOT Entity	Authority	Dated	Governing Law	Basis	Abatement	Received
Saranac Power Partners	Clinton County & Town of Plattsburgh Amended	12/1/2009 2018	GML Article 18-a Chapter 1030 1969	PILOT Mortgage	\$ 319,192	\$ 8,400
Plattsburgh Housing Authority	State of New York Amended	4/17/1951 3/4/2010	Consolidation Laws Chapter 44-A	Income PILOT	254,629	93,894
Vilas Home LLC	Clinton County & Vilas Home	8/1/2021	GML Article 18-a Chapter 1030 1969	PILOT Agreement	19,950	910
Plattsburgh Municipal Lighting	NYSPSC		Order 06-E-1496	Valuation PILOT plus service payment for street lighting	363,471	652,997
Total 2024					\$ 957,242	\$ 756,201

Note 18. Prior Period Adjustment

Correction of an Error in Previously Issued Financial Statements

During the 2024 year, the City determined that capital assets in the governmental activities in the prior year were incorrectly stated. Therefore, capital assets in the governmental activities was overstated by \$1,039,750. The effect of correcting this error is shown in the table below.

	12/31/2023 as Previously Reported	Error Correction	6/30/2023 As Restated
Government-Wide			
Governmental Activities	\$ (29,623,902)	\$ (1,039,751)	\$ (30,663,653)

CITY OF PLATTSBURGH, NEW YORK

Notes to the Financial Statements

Note 19. Subsequent Events

The City has evaluated events and transactions that occurred between December 31, 2024 and August 7, 2025 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

CITY OF PLATTSBURGH, NEW YORK
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Variance, Favorable (Unfavorable)
Revenues					
Real property taxes	\$ 12,121,349	\$ 12,121,349	\$ 12,159,775	\$ -	\$ 38,426
Real property tax items	224,787	224,787	242,525	-	17,738
Non-property tax items	5,159,258	5,159,258	5,752,696	-	593,438
Departmental income	2,070,670	2,070,670	2,221,371	-	150,701
Use of money and property	449,580	449,580	485,562	-	35,982
Licenses and permits	655,620	655,620	427,113	-	(228,507)
Fines and forfeitures	195,350	195,350	128,361	-	(66,989)
Sale of property and compensation for loss	400,000	400,000	28,774	-	(371,226)
Miscellaneous local sources	-	-	63,110	-	63,110
Interfund	840,000	840,000	937,195	-	97,195
State aid	3,319,982	3,902,250	3,997,821	-	95,571
Federal aid	-	-	1,278,205	-	1,278,205
Total revenue	25,436,596	26,018,864	27,722,508	-	1,703,644
Expenditures					
General government	2,501,028	2,339,842	2,232,051	97,420	10,371
Public safety	9,049,477	9,671,602	9,327,378	288,628	55,596
Transportation	1,549,740	1,485,921	1,451,026	22,560	12,335
Economic assistance and opportunity	428,197	650,078	640,714	91,465	(82,101)
Culture and recreation	500	15,740	15,739	-	1
Home community services	967,792	895,445	850,988	11,572	32,885
Employee benefits	8,563,213	8,569,095	8,169,985	-	399,110
Total expenditures	23,059,947	23,627,723	22,687,881	511,645	428,197
Excess of revenues over expenditures	2,376,649	2,391,141	5,034,627	(511,645)	2,131,841
Other financing sources (uses)					
Transfers in	1,303,326	1,303,326	1,262,435	-	(40,891)
Transfers (out)	(3,679,975)	(4,241,958)	(4,985,586)	-	(743,628)
Total other financing sources (uses)	(2,376,649)	(2,938,632)	(3,723,151)	-	(784,519)
Change in fund balance	\$ -	\$ (547,491)	\$ 1,311,476	\$ (511,645)	\$ 1,347,322

See the independent auditor's report

CITY OF PLATTSBURGH, NEW YORK
Schedule of Revenues and Expenditures
Budget and Actual - Special Revenue Funds
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Variance, Favorable (Unfavorable)
Revenues					
Real property taxes	\$ 85,010	\$ 85,010	\$ 85,010	\$ -	\$ -
Departmental income	9,636,116	9,636,116	10,599,893	-	963,777
Intergovernmental charges	1,274,051	1,274,051	1,404,639	-	130,588
Use of money and property	660,535	660,535	837,855	-	177,320
Sale of property and compensation for loss	7,450	7,450	40,123	-	32,673
Miscellaneous local sources	88,200	88,200	67,411	-	(20,789)
Interfund	142,506	142,506	118,644	-	(23,862)
State aid	139,857	139,857	119,904	-	(19,953)
Federal aid	25,193	25,193	4,716	-	(20,477)
Total revenue	12,058,918	12,058,918	13,278,195	-	1,219,277
Expenditures					
General government	527,905	475,160	450,316	-	24,844
Transportation	256,453	257,086	225,202	-	31,884
Culture and recreation	1,119,418	1,525,585	1,353,111	8,561	163,913
Home community services	6,814,621	6,476,292	5,914,387	365,779	196,126
Employee benefits	2,391,705	2,411,481	2,243,399	-	168,082
Total expenditures	11,110,102	11,145,604	10,186,415	374,340	584,849
Excess of revenues over expenditures	948,816	913,314	3,091,780	(374,340)	1,804,126
Other financing sources (uses)					
Transfers in	1,331,008	1,999,380	1,360,667	-	(638,713)
Transfers (out)	(2,088,856)	(3,866,854)	(3,242,161)	-	624,693
Total other financing sources (uses)	(757,848)	(1,867,474)	(1,881,494)	-	(14,020)
Change in fund balance	\$ 190,968	\$ (954,160)	\$ 1,210,286	\$ (374,340)	\$ 1,790,106

See the independent auditor's report

CITY OF PLATTSBURGH, NEW YORK
Statement of Revenues and Expenditures
Budget and Actual - Debt Service Fund
Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual - (Budgetary - Basis)</u>	<u>Year-end Encumbrances</u>	<u>Variance, Favorable (Unfavorable)</u>
Revenues					
Use of money and property	\$ -	\$ -	\$ 809,865	\$ -	\$ 809,865
Total revenue	<u>-</u>	<u>-</u>	<u>809,865</u>	<u>-</u>	<u>809,865</u>
Expenditures					
Debt service	<u>4,237,515</u>	<u>4,237,515</u>	<u>22,255,140</u>	<u>-</u>	<u>(18,017,625)</u>
Total expenditures	<u>4,237,515</u>	<u>4,237,515</u>	<u>22,255,140</u>	<u>-</u>	<u>(18,017,625)</u>
Excess of revenues over expenditures	<u>(4,237,515)</u>	<u>(4,237,515)</u>	<u>(21,445,275)</u>	<u>-</u>	<u>(17,207,760)</u>
Other financing sources (uses)					
Transfers in	<u>4,237,515</u>	<u>4,237,515</u>	<u>5,198,491</u>	<u>-</u>	<u>960,976</u>
BANs redeemed from appropriations	<u>-</u>	<u>-</u>	<u>16,604,149</u>	<u>-</u>	<u>16,604,149</u>
Total other financing sources (uses)	<u>4,237,515</u>	<u>4,237,515</u>	<u>21,802,640</u>	<u>-</u>	<u>17,565,125</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,365</u>	<u>\$ -</u>	<u>\$ 357,365</u>

See the independent auditor's report

CITY OF PLATTSBURGH, NEW YORK
Schedule of Proportionate Share of the Net Pension Liability
Year Ended December 31, 2024

NYSERS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
City's proportion of the net pension liability (asset)	0.0273267%	0.0246996%	0.0255795%	0.0286220%	0.0287414%	0.0303305%	0.0327848%	0.0311668%	0.0311625%	0.0309069%
City's proportionate share of the net pension liability (asset)	\$ 4,023,591	\$ 5,939,911	\$ (2,901,022)	\$ 28,500	\$ 70,610,889	\$ 2,149,005	\$ 1,058,113	\$ 2,928,503	\$ 5,001,661	\$ 1,044,110
City's covered-employee payroll	\$ 9,048,741	\$ 8,736,225	\$ 8,521,623	\$ 8,621,159	\$ 8,055,019	\$ 8,408,105	\$ 8,679,482	\$ 9,995,629	\$ 9,639,080	\$ 8,818,736
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	44.47%	67.99%	34.04%	0.33%	876.61%	25.56%	12.19%	29.30%	51.89%	11.84%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.80%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

CITY OF PLATTSBURGH, NEW YORK
Schedule of the City's Pension Contributions
Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,291,251	\$ 1,061,699	\$ 933,656	\$ 1,102,243	\$ 1,126,889	\$ 1,112,298	\$ 1,210,750	\$ 1,288,179	\$ 1,208,988	\$ 1,381,855
Contributions in relation to the contractually required contribution	1,291,251	1,061,699	933,656	1,102,243	1,126,889	1,112,298	1,210,750	1,288,179	1,208,988	1,381,855
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	9,048,741	8,736,225	8,521,623	\$ 8,621,159	\$ 8,055,019	\$ 8,408,105	\$ 8,679,482	\$ 9,995,629	\$ 9,639,080	\$ 8,818,736
Contributions as a percentage of covered-employee payroll	14.27%	12.15%	10.96%	12.79%	13.99%	13.23%	13.95%	12.89%	12.54%	15.67%

See Independent Auditor's Report

CITY OF PLATTSBURGH, NEW YORK
Schedule of Proportionate Share of the Net Pension Liability
Year Ended December 31, 2024

NYSPPFRS

	<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>
Measurement date	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
City's proportion of the net pension liability (asset)	0.1470410%	0.1537255%	0.1525181%	0.154452%	0.1818352%	0.152022%	0.167880%	0.1700469%	0.1981158%	0.1815705%
City's proportionate share of the net pension liability (asset)	\$ 6,973,897	\$ 8,470,999	\$ (866,371)	\$ 2,681,713	\$ 9,718,975	\$ 2,549,479	\$ 1,696,858	\$ 3,524,479	\$ 5,865,786	\$ 499,790
City's covered-employee payroll	\$ 6,222,731	\$ 6,249,062	\$ 6,973,570	\$ 6,489,548	\$ 6,386,405	\$ 6,914,715	\$ 6,850,120	\$ 5,523,240	\$ 5,760,314	\$ 6,607,279
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	112.07%	135.56%	12.42%	41.32%	152.18%	36.87%	24.77%	63.81%	101.83%	7.56%
Plan fiduciary net position as a percentage of the total pension liability	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	80.20%	99.03%

CITY OF PLATTSBURGH, NEW YORK
Schedule of the City's Pension Contributions
Year Ended December 31, 2024

	<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>
Contractually required contributions	\$ 1,870,880	\$ 1,667,364	1,401,363	\$ 1,566,308	\$ 1,331,867	\$ 1,519,740	\$ 1,289,550	\$ 1,421,943	\$ 1,387,189	\$ 1,381,855
Contributions in relation to the contractually required contribution	<u>1,870,880</u>	<u>1,667,364</u>	<u>1,401,363</u>	<u>1,566,308</u>	<u>1,331,867</u>	<u>1,519,740</u>	<u>1,289,550</u>	<u>1,421,943</u>	<u>1,387,189</u>	<u>1,381,855</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	6,222,731	6,249,062	6,973,570	\$ 6,489,548	\$ 6,386,405	\$ 6,914,715	\$ 6,850,120	\$ 5,523,240	\$ 5,760,314	\$ 6,607,279
Contributions as a percentage of covered-employee payroll	30.07%	26.68%	20.10%	24.14%	20.85%	21.98%	18.83%	25.74%	24.08%	20.91%

See Independent Auditor's Report

CITY OF PLATTSBURGH, NEW YORK
Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	1/1/2024	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018
Total OPEB liability							
Service cost	\$ 664,805	\$ 820,293	\$ 1,986,061	\$ 1,690,766	\$ 1,645,489	\$ 1,626,885	\$ 1,783,951
Interest	5,216,761	5,253,238	4,145,721	3,979,043	4,079,231	6,242,084	5,937,823
Changes in benefit terms	2,414,672	-	-	(23,052)	(3,107,122)	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	4,478,355	(3,608,033)	(13,193,655)	14,176,285.00	6,907,552	(51,709,706)	258,117
Changes of assumption or other inputs	12,564,461	(3,980,074)	(56,404,048)	9,301,832	12,507,441	33,982,045	(9,568,143)
Benefit payments	<u>(5,291,542)</u>	<u>(5,278,810)</u>	<u>(5,223,403)</u>	<u>(5,308,034)</u>	<u>(4,802,901)</u>	<u>(4,928,083)</u>	<u>(4,721,795)</u>
Net change in total OPEB liability	20,047,512	(6,793,386)	(68,689,324)	23,816,840	17,229,690	(14,786,775)	(6,310,047)
Total OPEB liability - beginning	<u>117,056,922</u>	<u>123,850,308</u>	<u>192,539,632</u>	<u>168,722,792</u>	<u>151,493,102</u>	<u>166,279,877</u>	<u>172,589,924</u>
Total OPEB liability - ending	<u><u>\$ 137,104,434</u></u>	<u><u>\$ 117,056,922</u></u>	<u><u>\$ 123,850,308</u></u>	<u><u>\$ 192,539,632</u></u>	<u><u>\$ 168,722,792</u></u>	<u><u>\$ 151,493,102</u></u>	<u><u>\$ 166,279,877</u></u>
Covered payroll	\$ 13,273,567	\$ 16,042,173	\$ 15,495,193	\$ 14,938,209	\$ 14,441,424	\$ 15,580,884	\$ 15,094,830
Total OPEB liability as a percentage of covered payroll	1032.91%	729.68%	799.28%	1288.91%	1168.33%	972.30%	1101.57%

See Independent Auditor's Report.

CITY OF PLATTSBURGH, NEW YORK

Independent Auditor's Report Pursuant
to Governmental Auditing Standards
and the Requirements of the Uniform Guidance

Year Ended December 31, 2024

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**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***

Independent Auditor's Report

To the Councilors
City of Plattsburgh, New York
Plattsburgh, 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, business-type activities each major fund, and the aggregate remaining fund information of the City of Plattsburgh, New York, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City of Plattsburgh, New York's basic financial statements, and have issued our report thereon dated August 7, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Plattsburgh, New York'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 of Plattsburgh, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Plattsburgh, New York's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Plattsburgh, New York'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*.

City of Plattsburgh, New York's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Plattsburgh, New York's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Plattsburgh, New York's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
August 7, 2025

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Councilmen
City of Plattsburgh, New York
Plattsburgh, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Plattsburgh, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Plattsburgh, New York's major federal programs for the year ended December 31, 2024. The City of Plattsburgh, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Plattsburgh, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Plattsburgh, New York 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 of Plattsburgh, New York'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 of Plattsburgh, New York's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Plattsburgh, New York's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Plattsburgh, New York'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 of Plattsburgh, New York'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 of Plattsburgh, New York'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 of Plattsburgh, New York's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Plattsburgh, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Plattsburgh, New York's basic financial statements. We issued our report thereon dated August 7, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of expenditures of federal awards* is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
August 7, 2025

CITY OF PLATTSBURGH, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Payments to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Community Development Block Grants/State's				
Program and Non-Entitlement Grants in Hawaii	14.228	N/A	\$ 225,000	\$ 225,000
Total U.S. Department of Housing and Urban Development			<u>225,000</u>	<u>225,000</u>
U.S. Department of Justice				
Equitable Sharing Program	16.922	N/A	-	28,156
Total U.S. Department of Justice			<u>-</u>	<u>28,156</u>
U.S. Department of Transportation				
Pass-through programs from:				
New York State Department of Transportation				
Highway Planning and Construction	20.205	712044	-	282,702
Highway Planning and Construction	20.205	712044	-	38,974
Total U.S. Department of Transportation			<u>-</u>	<u>321,676</u>
U.S. Department of the Treasury				
Pass-through programs from:				
Office of the New York State Comptroller				
Coronavirus State and Local Fiscal Recovery Funds	21.027	NY0917	-	1,246,741
Coronavirus State and Local Fiscal Recovery Funds	21.027	NY0917	-	30,661
Total U.S. Department of the Treasury			<u>-</u>	<u>1,277,402</u>
U.S. Environmental Protection Agency				
Pass-through programs from:				
New York State Environmental Facilities Corporation				
Capitalization Grants for Clean Water State Revolving Funds	66.481	00A00707	-	32,466
Total U.S. Environmental Protection Agency			<u>-</u>	<u>32,466</u>
Total federal expenditures			<u>\$ 225,000</u>	<u>\$ 1,884,700</u>

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF PLATTSBURGH, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the Town, which is described in Note 1 to the Town's accompanying financial statements, using the modified cash basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the Town's financial statements. Federal awards that are included in the Schedule may be received directly from Federal agencies, as well as Federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Summary of Certain Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as Federal expenditures were obtained from the Federal financial reports for the applicable program and period. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the Town's financial reporting system.

Note 3 – Scope of Audit

The Town is an independent municipal corporation. All Federal grant operations of the Town are included in the scope of the single audit.

Note 4 – Non-monetary Assistance

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended December 31, 2024, the Town received \$0 in non-monetary assistance.

Note 5 – Indirect Cost Rate

The Town did not elect to use the 10% de minimus cost rate.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The Town's policy is not to charge federal award programs with indirect costs.

Note 6 – Other Disclosures

No insurance is carried specifically to cover equipment purchased with Federal funds. Equipment purchased with Federal funds is covered by the Town's casualty insurance policy.

CITY OF PLATTSBURGH, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting:

Material weakness identified?

_____ Yes X No

Significant deficiencies identified?

 X Yes _____ No

Noncompliance material to the
financial statement

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X None

Type of auditor's report issued on compliance
for federal major programs:

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with Section
2 CFR-200.516(a)

_____ Yes X No

Identification of major federal programs:

AL Numbers

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal
Recovery Funds

Dollar threshold used to distinguish
between type A and type B programs

\$750,000

Auditee qualified as a low risk auditee?

_____ Yes X No

CITY OF PLATTSBURGH, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Type of Finding – Significant Deficiencies

2024-001 Budget Adjustments and Amendments

Criteria: Budget modifications must be authorized by a City Council resolution, and the resolution must stipulate both the appropriation accounts to be increased and financing sources to support the modification.

Condition: Certain appropriation expenses within the General Fund exceeded the approved budget amounts.

Effect: Expenditures exceeded amounts budgeted without City Council approval.

Cause: Unknown.

Recommendation: We recommend the City Council continue to monitor the Budget Status Reports for all funds and approve all budget adjustments and/or amendments throughout the year.

Management's response: See attached.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

SECTION IV – PRIOR YEAR FINDINGS

<u>Finding Number</u>	<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Current Year Status</u>
2023-001	None	Budget adjustments and amendments	Repeated in 2024-001



Richard A. Marks
City Chamberlain

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marksr@cityofplattsburgh-ny.gov

Corrective Action Plan Financial Statement Findings December 31, 2024

2024-001 Budget Adjustments and Amendments

Summary of finding: Budget modifications must be authorized by a City Council resolution, and the resolution must stipulate both the appropriation accounts to be increased and financing sources to support the modification. Certain appropriation expenses within the General Fund exceeded the approved budget amounts.

Statement of Concurrence or Non-concurrence: We agree with the finding of the independent auditor.

Corrective Action: The Council of the City of Plattsburgh will continue to monitor and approve all budget adjustments and or amendments throughout the year and the City Chamberlain will strengthen the practice of compiling closing budget adjustments/transfers as has been the practice in past years.

Richard Marks, City Chamberlain, is responsible for implementing this corrective action plan. We plan to rectify all actions by December 31, 2025.

CITY OF PLATTSBURGH, NEW YORK

New York State Single Audit Report

Year Ended December 31, 2024

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Independent Auditor's Report on Compliance For State Transportation Assistance and on Internal Control Over Compliance Required by Government Auditing Standards

Report on Compliance

Opinion

We have audited the City of Plattsburgh, New York's compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCRR) that could have a direct and material effect on each of the City of Plattsburgh, New York's state transportation assistance programs for the year ended December 31, 2024. The City of Plattsburgh, New York's state transportation assistance programs tested are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Plattsburgh, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state transportation assistance programs for the year ended December 31, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Draft Part 43 of NYSCRR. Our responsibilities under those standards and the Draft Part 43 of NYSCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Plattsburgh, New York 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. Our audit does not provide a legal determination of the City of Plattsburgh, State New York'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 of Plattsburgh, New York's state transportation assistance program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Plattsburgh, New York's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Draft Part 43 of NYSCRR 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 of Plattsburgh, New York's compliance with the requirements on each of its state transportation assistance programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Draft 43 of NYSCRR, 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 of Plattsburgh, New York'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 of Plattsburgh, New York'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 audit requirements of Draft Part 43 of NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of the City of Plattsburgh, New York'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 state transportation assistance 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 state transportation assistance 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 state transportation assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of NYSCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Transportation Assistance Required by Preliminary Draft Part 43 of the New York State Codification of Rules and Regulations

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plattsburgh, New York as of December 31, 2024 and for the year then ended, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 7, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Plattsburgh, New York's basic financial statements. The accompanying schedule of expenditures of state transportation assistance is presented for purposes of additional analysis as required by preliminary Draft Part 43 of NYSCRR, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state transportation assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the City of Plattsburgh, New York's management and the New York State Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
August 7, 2025

CITY OF PLATTSBURGH, NEW YORK
Schedule of State Transportation Assistance
Year Ended December 31, 2024

Program Title	NYSDOT Contract/ Ref. Number	Total Expenditures
Consolidated Local Streets and Highway Improvement Program (CHIPS)		
2024 Equipment Purchases	712044	\$ 645,500
2024 Margaret Street Construction - Touring Routes	712044	1,169,677
2024 General Street Resurfacing - Touring Routes	712044	12,450
2024 Broad/oak Street Re-design - Touring Routes	712044	90,151
2024 - General Street Resurfacing - POP	712044	79,355
2024 General Street Resurfacing - EWR	712044	75,332
2024 General Street Resurfacing - Pave NY	712044	119,032
Total Expenditures of State Transportation Assistance Awards		2,191,497

See Notes to Schedule of Expenditures of State Transportation Assistance.

CITY OF PLATTSBURGH, NEW YORK

**Notes to Schedule of Expenditures of State Transportation Assistance
Year Ended December 31, 2024**

Note 1 - General

The accompanying Schedule of State Transportation Assistance of the City of Plattsburgh, New York presents the activity of all financial assistance programs provided by the New York State Department of Transportation and is presented on the accrual basis of accounting.

Note 2 – Basis of Accounting

The accompanying Schedule of Expenditures of State Transportation Assistance is presented using the accrual basis of accounting.

Note 3 – Matching Costs

Matching costs, i.e. the City's share of certain program costs, are not included in the reported expenditures.

CITY OF PLATTSBURGH, NEW YORK
Schedule of Findings and Questioned Costs
For Expenditures of State Transportation Assistance
Year Ended December 31, 2024

Summary of Auditor's Results:

Internal control over state transportation assistance expended:				
Material weakness identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None

Type of auditor's report issued on compliance for major programs:	Unmodified
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Identification of State Transportation Assistance Program Tested:

<u>Name</u>
2024 Margaret Street Construction - Touring Routes

New York State Transportation Assistance Findings and Questioned Costs:
No matters were reported.