

CITY OF PLATTSBURGH

FINANCIAL REPORT

DECEMBER 31, 2021

CONTENTS

Independent Auditor's Report		1-3
Management's Discussion and Analysis (Unaudited)		4-17
Basic Financial Statements		
Government-wide Financial Statements:	Exhibit	
Statement of Net Position	A	18-19
Statement of Activities	B	20-21
Fund Financial Statements:		
Balance Sheet - Governmental Funds	C	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position		23
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	D	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities		25
Combining Balance Sheet - Special Revenue Funds	E	26
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	F	27
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- General Fund	G	28
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- Special Revenue Funds	H	29
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- Debt Service Fund	I	30
Statement of Net Position - Proprietary Funds	J	31
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	K	32
Statement of Cash Flows - Proprietary Fund	L	33
Statement of Fiduciary Net Position	M	34
Statement of Changes in Fiduciary Net Position	N	35
Notes to Financial Statements		36-66
Other Supplemental Information		
Schedule of City's Proportionate Share of the Net Pension Liability- NYSERS		67
Schedule of the City's Contributions- NYSERS		68
Schedule of City's Proportionate Share of the Net Pension Liability- NYSPFRS		69
Schedule of the City's Contributions- NYSPFRS		70
Schedule of Changes in the City's Total OPEB Liability and Related Ratios		71
Schedule of Expenditures of Federal Awards		72
Note to Schedule of Expenditures of Federal Awards		73
Schedule of State Transportation Assistance Expended		74
Note to Schedule of State Transportation Assistance Expended		75
Compliance Section		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance With Government Auditing Standards		76-77
Independent Auditor's Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance		78-80
Independent Auditor's Report on Compliance and Controls Over State Transportation Assistance Expended Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards		81-82
Schedule of Findings and Questioned Costs		83-85

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INDEPENDENT AUDITOR'S REPORT

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

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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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, 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 (pages 4 through 17), budgetary comparison information (pages 28 and 30), and Schedule of Changes in the City's Total OPEB Liability and Related Ratios (page 71) and Schedules of City's Proportionate Share of the Net Pension Liability – ERS and PFRS, and Schedules of the City's Contributions – ERS and PFRS (pages 67-70) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Plattsburgh, New York's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2022, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Plattsburgh, New York's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

July 14, 2022

The City of Plattsburgh offers this discussion and analysis in conjunction with the audit of financial statements for the fiscal year ended December 31, 2021.

Unless otherwise stated, all amounts are expressed in thousands of dollars.

1. FINANCIAL HIGHLIGHTS

Total liabilities and deferred inflows of the City exceeded total assets and deferred outflows by \$36,322. The net position of business-type activities was \$10,146 and net position of governmental activities was \$(46,468).

For the year, total revenues for the City were \$51,689 while total expenses were \$60,114. The net of the revenues and expenses leaves the City with a net loss of \$8,425.

At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$24,589, an increase of \$1,192 from the prior year.

At the end of the year, total unassigned fund balance for the general fund was \$5,667, up \$1,200 from the prior year.

Total outstanding long-term indebtedness for the City at the end of the year was \$25,009, up from \$24,421 at the end of 2020.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as a commentary to the financial statements for the City of Plattsburgh. The financial statements are comprised of the following three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the financial statements, such as budgetary comparisons.

Government-wide financial statements – The government wide financial statements are intended to provide the reader with a broad overview of the financial condition of the City that closely matches the reporting format of most private-sector companies. The Statement of Net Position provides comparisons that will assist in answering the question of whether the City's financial condition has improved or deteriorated during the year.

The Statement of Net Position provides the reader with a snapshot in time of the assets, liabilities and resulting net position (or equity as stated with private sector reporting) of the City. Over time, increases or decreases in the net position of the City may provide an indicator of the trend in the City's financial condition. Other forward-looking indicators will also assist the reader to assess the overall financial health of the City.

The Statement of Activities provides the reader with the sources of revenue for the City, the sources of expenses and the net balance between the two which directly impacts the resulting net position at year-end. Reporting of revenues and expenses is done using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This means that transactions are recorded when they are realizable and measurable and not when cash flows into or out of the City.

The governmental-wide financial statements of the City separate functions into three components. First, governmental activities of the City are primarily supported by taxes and intergovernmental revenues. Second, business-type activities are intended to support all or a large portion of their expenses through user fees and charges and receive no direct support from other funds. The governmental activities include: general government, public safety (mostly police & fire protection), street construction & maintenance, economic development, water & sewer utility, downtown parking lot & maintenance, refuse collection, and culture and recreation. The only business-type activity in the City is the Municipal Lighting Department. Third, the City includes a separate legal entity in its report—Lake City Local Development Corporation. While it represents a legally separate entity, its operational or financial relationship with the City makes the City financially accountable for this entity.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the Basic Financial Statements.

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 of Plattsburgh, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Plattsburgh can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- a. Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on near term inflows and outflows of expendable resources as well as on the balance of expendable resources *available* at the end of the year. Expendable resources are measured using the modified accrual method of accounting. Under this method, resources are considered available if they can be readily converted to cash, generally in 90 days or less. Reviewing governmental funds may be useful in assessing the City's near term financing requirements.

The main difference between governmental funds and the government-wide financial statements is, respectively, short-term view versus long-term view; it is useful to compare the information presented in both. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions.

The City of Plattsburgh 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 balances for the general fund, debt service fund, capital projects fund, and the special revenue fund, all of which are considered to be major funds. The special revenue fund aggregates data from the other six subsidiary funds into a single major fund. Individual fund data for each of these subsidiary governmental funds is provided in the form of combining statements elsewhere in this report.

The financial statements for governmental funds can be found in the Basic Financial Statements, which is in the following section.

- b. Proprietary funds – The City of Plattsburgh maintains only one type of proprietary fund, the Municipal Lighting Department. Other funds such as water, sewer, parking lot, library and recreation are considered governmental funds. The City's enterprise fund is the same as business-type activities reported in the government-wide statements but provide more detail such as cash flows.
- c. 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 City cannot use any assets in these funds to

finance the City's operations. It is the City's responsibility to ensure the assets in these funds are used for their intended purposes.

Notes to financial statements – The notes to the financial statements provide additional information that the reader of this report may require to fully understand all aspects of this report. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Net position may serve as a useful indicator of a government's financial position over time. For the year ending December 31, 2021, the City of Plattsburgh's liabilities exceeded assets by \$36,322.

The majority of the City's net position is capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these assets to provide services to citizens (e.g. public water, sewer, recreational facilities, electric power distribution, roads, etc.). Since these assets are not liquid and are not intended to be sold, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Plattsburgh Net Position
(000's Omitted)

	Governmental activities		Business-type activities		Total Primary Government	
	2021	Restated 2020	2021	2020	2021	Restated 2020
Current Assets	\$ 26,900	\$ 25,005	\$ 6,369	\$ 5,795	\$ 33,269	\$ 30,800
Noncurrent Assets	114,392	107,543	30,630	31,716	145,022	139,259
Total Assets	141,292	132,548	36,999	37,511	178,291	170,059
Deferred Outflows of Resources						
Pensions	13,260	11,110	1,777	1,451	15,037	12,561
Other post employment benefits	15,642	17,400	1,135	963	16,777	18,363
Defeasement loss	48	61	-	-	48	61
Total Deferred Outflows of resources	28,950	28,571	2,912	2,414	31,862	30,985
Total assets and deferred outflow of resources	\$170,242	\$ 161,119	\$ 39,911	\$ 39,925	\$ 210,153	\$201,044
Current Liabilities	\$ 4,766	\$ 4,092	\$ 3,181	\$ 2,698	\$ 7,947	\$ 6,790
Noncurrent Liabilities	197,139	186,867	24,255	25,067	221,394	211,934
Total Liabilities	201,905	190,959	27,436	27,765	229,341	218,724
Deferred Inflows of Resources	-	2	-	-	-	2
Pensions	14,805	621	2,329	83	17,134	704
Other post employment benefits	-	9,251	-	260	-	9,511
Total Deferred Inflows of resources	14,805	9,874	2,329	343	17,134	10,217
Net Position:						
Net investment in capital assets	93,320	87,565	26,000	26,367	119,320	113,932
Restricted	14,501	14,826	3,180	2,129	17,681	16,955
Unrestricted	(154,289)	(142,105)	(19,034)	(16,679)	(173,323)	(158,784)
Total Net Position	(46,468)	(39,714)	10,146	11,817	(36,322)	(27,897)
Total Liabilities and Net Position	\$170,242	\$ 161,119	\$ 39,911	\$ 39,925	\$210,153	\$201,044

An additional portion of the City's total assets, \$17,681, represents resources that are subject to external restrictions on how they may be used and are reported as *restricted* net position. The remaining category of total net position, *unrestricted* net position may be used to meet the government's ongoing obligations and services to creditors and citizens, especially in the future.

- **Governmental activities**

Total net position of the City's governmental activities for the year ended December 31, 2021 was \$(46,468). The majority of the net position, \$93,320, is tied up in net investment of capital assets.

Restricted assets for the end of the year were \$14,501. Restricted assets include, but are not limited to: capital reserves, debt reserves, water and sewer capital reserves, and asset forfeitures. The restricted assets were higher at the end of the year due to the funding of some water reserves and sewer reserves.

Unrestricted assets at year-end for governmental activities were negative \$154,289, a decrease of \$12,184 from the prior year.

- **Business-type activities**

The total net position of our business-type activities was \$10,146 at year-end. Like the governmental-type activities, capital assets net of related debt were \$26,000 and made up the majority of the net position.

Restricted assets at year-end were \$3,180 and were primarily made up of the capital projects reserve \$678, debt reserve \$206 and other reserves \$2,296. Unrestricted net position was \$(19,034).

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on pages 20-21. Key elements of this change are illustrated in the following table.

City of Plattsburgh Change in Net Position (000's Omitted)						
	Governmental activities		Business-type activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ 10,755	\$ 10,315	\$19,850	\$18,331	\$ 30,605	\$ 28,646
Operating Grants and contributions	32	65	-	-	32	65
Capital Grants and contributions	6,114	1,122	-	-	6,114	1,122
General revenues:						
Property Taxes	11,469	11,686	-	-	11,469	11,686
Sales and Other Taxes	5,127	4,596	-	-	5,127	4,596
Government Aid	3,783	2,593	-	-	3,783	2,593
Other	3,165	2,971	394	584	3,559	3,555
Total Revenues	40,445	33,348	20,244	18,915	60,689	52,263
Expenses						
General Government	3,131	3,031	-	-	3,131	3,031
Public Safety	8,281	7,702	-	-	8,281	7,702
Transportation	2,759	2,554	-	-	2,759	2,554
Economic assistance & opportunity	588	489	-	-	588	489
Culture and recreation	1,492	1,097	-	-	1,492	1,097
Home and community	7,556	7,133	-	-	7,556	7,133
Employee Benefits	23,641	9,982	-	-	23,641	9,982
Debt Service	404	355	115	140	519	495
Municipal Lighting	-	-	21,147	17,713	21,147	17,713
Total Expenses	47,852	32,343	21,262	17,853	69,114	50,196
Excess of revenues over expenses	(7,407)	1,005	(1,018)	1,062	(8,425)	2,067
Transfers	653	653	(653)	(653)	-	-
Increase (decrease) in Net Position	(6,754)	1,658	(1,671)	409	(8,425)	2,067
Net Position - beginning	(39,714)	(41,372)	11,817	11,408	(27,897)	(29,964)
Net Position - ending	\$ (46,468)	\$ (39,714)	\$10,146	\$11,817	\$ (36,322)	\$ (27,897)

The City's total revenues for the 2021 year were \$60,689 versus total expenses of \$69,114. For the year, the City's net position decreased by \$8,425 to bring total net position of the primary government of the City to \$(36,222). The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities for the year were \$40,445 while total expenses were \$47,852 which yielded a decrease in net position of \$6,754. The drivers of revenues for the year were charges for services, which is mostly made up of water and sewer charges for services. Property taxes comprised 28.4% of the total revenues while sales taxes were 12.7% of revenues. Revenues were up from the prior year by \$7,097.

On the expense side, public safety, home and community and employee benefits made up the majority of the cost of the governmental activities. In public safety, the police department and fire department expenses for the year totaled \$4,097 (49.5%) and \$3,561 (43.0%), of the total for public safety of \$8,281, respectively.

Home and community total expenses for the year were \$7,556. Costs associated with operating the water fund were \$1,667 or 22.1% of the total while the sewer fund costs were \$3,416 or 45.2% of the total.

Business-type Activities

Revenues for the Municipal Lighting Department for the year were \$20,244, while total expenses for the operation were \$21,262. The resulting total net position for the business-type activities for the year decreased by \$1,671.

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 revenues were up by over \$1,519 or 8.3%.

On the expense side, demand for electric power drives demand to purchase power. Since MLD does not generate its own power but only distributes what it purchases, the cost of purchase power is a large cost factor in operating the business. In 2021, the total cost of purchased power increased by \$3,434 or 19.4%.

THE CITY'S FUNDS:

Governmental Funds

- 1) 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 \$5,667 and the total fund equity was \$7,251. 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 ended December 31, 2021, unassigned fund balances represent 23.8% of total fund expenditures (including transfers out), while total fund balance was 30.5% of the same amount. The total fund balance of the City's General Fund increased by \$1,538 during the current fiscal year.
- 2) 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 \$514 is reserved for the repayment of debt. The decrease in total fund balance from year-to-year was \$155.
- 3) 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. At the end of the current fiscal year, the fund balance was \$1,057.

- 4) Special revenue fund – The special revenue fund for the City is made up of the following individual funds: Community Development Fund, Parking Lot Fund, Recreation Complex Fund, Water Fund, Sewer Fund, and Library Fund. The Community Development Fund is a special revenue fund used to account for the programs and projects primarily funded by the U.S. Department of Housing and Urban Development as well as other federal and state grant programs. At the end of the current fiscal year, the total special revenue fund balance was \$15,767. Components of the December 31, 2021 fund balance are as follows:

	<u>2021</u>	<u>2020</u>
Nonspendable		
Prepays	\$ 169	\$ 173
Long-term loans & receivable	385	464
Restricted		
Capital reserve	10,713	10,637
Other restricted	2,064	2,031
Assigned		
Encumbrances	21	1
Unappropriated fund balance	2,597	2,695
Unassigned	<u>(182)</u>	<u>(288)</u>
Total Fund Balances	<u><u>\$ 15,767</u></u>	<u><u>\$ 15,713</u></u>

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

- 5) Proprietary fund – the only proprietary fund for the City is the Municipal Lighting Department (MLD). 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, 2021, fund balance was \$10,146, down \$1,671 from the same time in the previous year fund.

4. 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 2022 budget included a 2.42% property tax levy increase including a 2.43% increase in the total assessed value of the City properties with a corresponding decrease of .01% in the property tax rate. There were 0% increases for 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 revenues and appropriations for the General Fund, the Proprietary Fund and the Debt Service Fund. The Parking Lot Fund, Recreation Complex Fund, Water Fund, Sewer Fund and Library Fund, which are special revenue funds, are also included in the budgetary process. The Community Development 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 \$1,100 compared to an adopted budget with a deficit of \$20.

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 balance 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:

1. Reimbursement for administrative costs from the Water, Sewer and Municipal Lighting Funds.
2. Payments in lieu of property tax from the Municipal Lighting Department for its tax exempt real property infrastructure.
3. Reimbursement for services performed for the Water, Sewer and Municipal Lighting Department (For example, police surveillance for property security, code enforcement and civil service and legal functions).

In 2021, the General fund inter-fund transfers were as follows (in whole dollars):

Library Fund	\$ 713,886
Recreation Fund	821,850
Parking Authority	149,918
Sewer Fund	-
Debt Service	1,963,395
Capital Projects Fund	99,000
	<u>\$ 3,748,049</u>

5. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounted to \$145,022 (net of accumulated depreciation). The amount as of December 31, 2020 was \$139,259 or an increase of \$5,762. The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress (CIP).

Major capital asset events during the current fiscal year included:

- Total capital expenditure additions, net of disposals of \$61, for governmental activities for the year were \$11,619.
- Depreciation expense for the year was \$4,832. Accumulated Depreciation decreased by \$61 for disposals.

City of Plattsburgh Capital Assets
(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 22,847	\$ 22,755	\$ 704	\$ 704	\$ 23,551	\$ 23,459
Infrastructure	105,846	98,139	2,329	2,303	108,175	100,442
Buildings & Improvements	58,998	55,327	67,437	66,815	126,435	122,142
Machinery & Equipment	21,446	20,877	11,572	11,383	33,018	32,260
Construction in Progress	1,354	1,774	146	46	1,500	1,820
Total	210,491	198,872	82,188	81,251	292,679	280,123
Less: Acc. Depreciation	(96,099)	(91,329)	(51,558)	(49,535)	(147,657)	(140,864)
Net Capital Assets	\$ 114,392	\$ 107,543	\$ 30,630	\$ 31,716	\$ 145,022	\$ 139,259

Long-term Debt

For the year, total debt increased by \$588 or 2.41% to \$25,009.

Moody's Investors Service has updated their rating of the City of Plattsburgh's general obligation limited tax debt at Baa1 with a positive outlook as of October 2, 2020, (previously rated as A3 prior to the bond market two step rating increase in 2011) on the City's \$21.4 million, outstanding balance at 12/31/21, including the \$6.5 Million general obligation long-term debt being issued on October 15th, 2020. The bonds are secured by the City's general obligation, unlimited tax pledge.

Moody's goes on to say the positive outlook reflects their expectations that, despite the pandemic, the City will continue to improve its financial position and operation efficiency. The rating also takes into account the City's modest but growing tax base, above-average debt burden, and below-average wealth and income metrics. The revision of the outlook to positive from stable reflects Moody's expectations that the City's finances have stabilized.

More detailed information on the City's capital assets and long-term debt activity is provided in the Notes to the Financial Statements.

City of Plattsburgh Outstanding Debt
(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 20,687	\$ 19,466	\$ 4,322	\$ 4,955	\$ 25,009	\$ 24,421

6. 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:

United Group - Redevelopment of the St. John's School Property

This project is complete and located adjacent to the Plattsburgh State University College property on Broad Street and involved the development of the St. John's parochial school property, previously tax exempt, as 'for profit' college student housing fully assessed at \$12,000,000 in 2011. Sale of City property in the form of parking and green area was accomplished in 2008 for approximately \$12,000 to enhance the development parking for students and thereby reduce the City's obligation to maintain the property. The annual increase to property tax revenue in 2011 was \$182,500 based on the 2009 and 2010 partially assessed value (AV) property tax collections. The owner of the property, Plattsburgh Suites LLC, filed a petition for a tax assessment reduction of \$3,000,000 against the City of Plattsburgh. A settlement was agreed to on September 18th, 2015, to reduce the assessment by \$6,700,000 to \$5,300,000 for the tax roll years of 2015, 2016 and 2017, and then allow the assessment to increase 2.5% per year for the tax roll years of 2018, 2019 and 2020, and beginning with the 2021 tax roll, allow the City Assessor to set the assessed value of the property at the appropriate rate allowable by law. In addition to the assessment changes, the City was awarded \$840,000 of the delinquent property taxes and interest due on the property, payable in the amount of \$500,000 within 15 days of the court's award, with the balance of \$340,000 payable in four installments of \$85,000 with the last payment due in October of 2019, of which everything has been collected.

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)
- 2) Improve riverfront access to increase recreational opportunities highlighting Plattsburgh's natural assets. (\$1.6 million)

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)

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)

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)

6) Implement a cohesive marketing, branding, signage strategy that strengthens downtown Plattsburgh's identity and visibility and increases visitation. (\$250K)

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 is anticipated during the winter of 2020-2021 with groundbreaking estimated to be delayed now until the spring of 2024, due to an adverse ruling from the courts.

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 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. Plans for a public river walk along the Durkee Street parking lot development site and improvements to Durkee Street itself are also planned.

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 one of these projects has been completed and two more are currently under construction. Several others are currently undergoing the design and environmental review phases and construction on these projects began during the 2021 construction season with completion slated for 2022.

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 are scheduled to commence during 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 City had entered into a lease agreement to move forward with Monahan Development of Syracuse, New York, to build a waterfront hotel and conference center where the former Canadian-Pacific Railway yard is located off Bridge Street and within walking distance from the municipal parking lot development described above.

The \$11 million development was to consist of a hotel and a 450-to-600 person conference center. The hotel was to feature rooms and suites with window views of the lake. A restaurant and full-service spa was also to be included. This development would tie in with a public boat launch and picnic area on the waterfront.

Construction of the hotel facility was delayed due to default by the developer to perform on the construction contract although the site development for the water distribution, storm and sewer drainage, and parking lot with related lighting was completed by the City at a cost of approximately \$4.4 Million. The dispute over the default by the developer to perform under the lease agreement was settled in April of 2015, at a cost of \$15,500, paid to Valcour Island LLC, for the relinquishment of all right and title in the leased property to the City for future development. 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 an agreement to build a new hotel on the site are ongoing.

Air Force Base redevelopment projects

The former ROTC property located on the "old base" was purchased by Larkin Realty out of Burlington, Vermont in 2004. They are the largest apartment and hotel owner in Vermont and planned to renovate the existing building into 60 condo/apartments. The property also includes 5 acres of vacant land to the north of the existing building. Current plans for this site are for construction of 32 additional apartments. Larkin Realty also purchased an additional 5.91 acres of land adjoining the ROTC property for future development for \$350,000 in September 2006. Both of these properties are lakefront properties and are expected to command the highest rental rates of any apartments in the county, but the vacant land has not seen any development progress during 2013. However, the former ROTC building completed Phase 3 in 2010 which includes 45 apartments and an AV of \$2,389,200 for 2011 up from \$2,068,400 in 2010.

Larkin completed the final Phase 4 in 2011, which includes a total of 60 apartments with a completed AV of \$3,515,800 increased in 2012, up from \$2,389,200 in 2011. The current assessment is at \$4,853,900 reflecting a city wide apartment revaluation in 2013.

Pyramid Realty Corporation of Syracuse, New York, had attempted to purchase the unoccupied base hospital located at the intersection of US Route 9 and New York Avenue, but never completed the purchase from the Plattsburgh Airbase Redevelopment Corporation (PARC). The property consists of 90,000 square feet of building space and land totaling 25 acres. Full demolition of the hospital building was completed in 2007 by PARC, but no further development has occurred during 2018. PARC still owns this property and it became fully taxable in 2012 and as of 2018, there are no plans to develop this lot and it remains on the market for sale.

In 2010, Harborview Condominiums completed construction of Phase 1 including 18 lake view condominium units. The addition was \$3,741,400 in AV to the 2012 tax roll. Phase 2 included 15 condo units completed in 2011 and added \$3,212,000 in AV to the 2013 tax roll. Phase 3 was being constructed with a completion date estimated sometime in 2014 and is comparable to Phase 2 by adding another 15 units with an estimated AV of \$3,345,300 to the 2015 tax roll. All 3 phases of Harborview have been completed and are occupied as of the end of 2016.

Directly across the street from Harborview Condominiums is another project that is under construction. Gregory Heights is a 20-unit apartment building that was completed in 2013 and the 2014 tax roll reflects an assessed value of \$1,352,700.

Four new apartment buildings, all side-by-side, were completed in 2012 in the residential west end neighborhood. Each apartment building has five units, for a total of 20 units in the project. The completed project added \$1,420,600 to the 2014 tax roll.

Recently, a 27-lot subdivision on the former Air force Base was transferred to a few local developers planning to develop the lots with residential homes and multi-family properties over a period of several. This is currently the largest tract of subdivided vacant land in the city. The 27 lot subdivision on the former air force base is currently under construction with about 85% of the lots either completed or under construction with residential housing. Most are single family homes, but there are also a few duplexes and multi-family residential units.

Bombardier Transportation, an international railcar manufacturer located in the City of Plattsburgh, announced that it plans to build an 80,000 square foot addition to its existing 150,000 square foot plant in 2013. Bombardier has recently been awarded two large contracts that will keep many more employees working at the plant and the need for more space is evident. Construction was completed adding 94,851 square feet to the existing plant and the AV was increased in 2014 to \$10,500,000.

Tall Pine Estates LLC completed Phase 1 of a two phase construction plan to build apartment complexes with garage units in 2016, which included 32 apartment units valued at \$2,318,600. Construction has begun on Phase 2 in 2018 to complete another 24 apartment units with the clubhouse and the first of three more eight unit buildings of this phase being finished for a total taxable value of \$3,633,500 appearing on the 2019 tax roll.

A 46 unit residential complex approved for construction at 4897 US Avenue, Enclave Estates, was completed in 2018, and is valued at \$2,000,000 in the 2019 tax roll.

Valcour Brewing Company re-developed the former soldiers' barracks built during the War of 1812 into a micro-brewery serving beer and food accompanied by some retail space and six hotel room type overnight accommodations valued at \$862,000 in the 2016 tax roll.

Maplefields constructed a large convenience store and gas station adjacent to US Avenue that was completed before the end of 2017, and is valued at \$1,525,000 on the 2019 tax roll.

Commercial development and redevelopment projects

The City of Plattsburgh has successfully annexed developable properties near Interstate Route 187 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 former Lakeside Apartment complex located on North Margaret Street was deemed uninhabitable after the 2011 Lake Champlain flood and it currently remains vacant. There are 120 apartment units in the complex. The property owner had been working to demolish and redevelop the site, but the timeframe was unknown during 2016. The old apartment complex was

demolished and re-development began during 2018 which has led to one of several units being completed. The plans include 31 residential units to be constructed along with commercial space for retail and restaurant facilities which is estimated to be 50% complete at this time.

Meadowbrook Nursing Facility completed an 87 bed addition to their existing 200 bed nursing home facility on Prospect Avenue in 2016 making for a total facility assessed value of \$16,400,000 as of the 2019 tax roll.

A 25 unit apartment complex was constructed in 2016 at 78 South Peru Street with a projected increase of \$1,346,900 in the 2017 property tax assessment roll.

A large residential property was developed during 2016 at 46 Cumberland Avenue adding an increase of \$873,600 in the 2017 property tax assessment roll.

A 5,900 sq. ft. Musculoskeletal Center addition was constructed in 2019 at the Champlain Valley Physician's Hospital.

Homes & Community Renewal Main Street Anchor Project: the City Received \$216,867 to assist in the renovation of the first floor of the North Country Food Co-op (NCFC) located at 25 Bridge Street in the downtown district. The NCFC will offer complete handicapped access as well as local healthy grocery options for residents and visitors to the downtown area.

National park Service Battlefield Protection Program: the City received a \$54,000 grant to study Historical sites around the city and region in order to better develop City Tourism. This study was completed in 2019 and submitted to the relevant agencies.

ESD Restore NY awarded the City a \$54,000 grant to demolish the former Highway Oil gas station and building at 40 Bridge Street in the downtown district as part of the preparation work for the Durkee Street development segment of the DRI projects. Demolition work was completed in 2017.

An AHC Housing Grant for \$300,000 has been awarded to the City to renovate 12 existing low to moderate income single family homes in the City downtown area.

The Samuel F. Vilas Home is located at 61 Beekman St. in the City of Plattsburgh next door to CVPH Medical Center. The Home was originally constructed as a home for elderly women in 1888. The property is on the National Register of Historic Places and had an addition constructed in 1994. Operated by a not-for-profit organization for over 130 years, the Home was recently sold to Eli & Emily Schwartzberg, who are a family organization that converted the former Willsboro School into an 81-bed assisted living & memory care community in 2012. The previous not-for-profit Vilas Home Board of Directors worked with the Schwartzberg's to acquire the Vilas Home because they wanted someone who could bring the current Vilas Home to a new level of competitiveness in the current market. Approximately 30 of the current 42 Vilas Home rooms are the size of a college dorm room and residents are required to share a bathroom. In addition, the current license is considerably "basic", and many residents are required to move onto higher levels of care (services) once their needs exceed that which the Vilas Home can currently provide. Eli and Emily Schwartzberg have exciting plans to not only do a historic renovation of the current Vilas Home, adding bathrooms, expanding rooms, and updating the building in accordance with the Secretary of the Interior, but they also plan to add a 65 unit addition that will include 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 will allow the current Vilas Home to continue its mission to meet the needs of our areas aging population and will provide a much-needed service to seniors in the region. During the construction phase, the investment of \$14.3M generates a total of 116 jobs and output in Clinton County valued at \$19.1 million. During the operations phase, annual

payments of \$450K accrues through employment and income taxes, but this includes shared revenue between the state and local governments of \$238K on property, motor vehicles, and sales tax. The proposed project will directly invest 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.

7. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Plattsburgh'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

Exhibit A

**STATEMENT OF NET POSITION
December 31, 2021**

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Current assets			
Cash and equivalents	\$ 6,106,469	\$ 99,126	\$ 6,205,595
Restricted assets-cash and cash in time deposits	13,617,691	3,180,338	16,798,029
Taxes receivable, net of allowance of \$38,270	825,420	-	825,420
Other receivable	1,461,573	1,566,346	3,027,919
State and federal receivables	2,206,391	-	2,206,391
Economic development loans, net of allowance of \$127,213	499,733	-	499,733
Due from other governments	1,489,751	-	1,489,751
Internal balances	(3,320)	3,320	-
Inventories	-	1,367,261	1,367,261
Prepaid expenses	696,158	152,701	848,859
Total current assets	<u>26,899,866</u>	<u>6,369,092</u>	<u>33,268,958</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>114,392,255</u>	<u>30,630,198</u>	<u>145,022,453</u>
Total noncurrent assets	<u>114,392,255</u>	<u>30,630,198</u>	<u>145,022,453</u>
Total assets	<u>141,292,121</u>	<u>36,999,290</u>	<u>178,291,411</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	13,260,251	1,776,941	15,037,192
Other post employment benefits	15,642,157	1,134,895	16,777,052
Defeasement loss	47,359	-	47,359
Total deferred outflows of resources	<u>28,949,767</u>	<u>2,911,836</u>	<u>31,861,603</u>
Total assets and deferred outflow of resources	<u>\$ 170,241,888</u>	<u>\$ 39,911,126</u>	<u>\$ 210,153,014</u>

LIABILITIES

Current liabilities

Accounts payable	\$ 827,770	\$ 1,661,954	\$ 2,489,724
Accrued liabilities	255,823	101,487	357,310
Due to other governments	169,284	-	169,284
Other liabilities	1,106,823	-	1,106,823
Customer deposits	-	773,952	773,952
Bonds outstanding - current portion	<u>2,406,809</u>	<u>643,191</u>	<u>3,050,000</u>
Total current liabilities	<u>4,766,509</u>	<u>3,180,584</u>	<u>7,947,093</u>

Noncurrent liabilities

Bonds outstanding, less current portion	18,665,474	3,987,322	22,652,796
Compensated absences	2,949,244	541,789	3,491,033
Other post employment benefits	172,821,615	19,718,017	192,539,632
Net pension liability - proportionate share	<u>2,702,356</u>	<u>7,857</u>	<u>2,710,213</u>
Total noncurrent liabilities	<u>197,138,689</u>	<u>24,254,985</u>	<u>221,393,674</u>

Total liabilities

<u>201,905,198</u>	<u>27,435,569</u>	<u>229,340,767</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	-	-	-
Pensions	14,804,564	2,329,011	17,133,575
Other post employment benefits	-	-	-
Total deferred inflows of resources	<u>14,804,564</u>	<u>2,329,011</u>	<u>17,133,575</u>

NET POSITION

Net investment in capital assets	93,319,972	25,999,685	119,319,657
Restricted	14,500,953	3,180,338	17,681,291
Unrestricted	<u>(154,288,799)</u>	<u>(19,033,477)</u>	<u>(173,322,276)</u>
Total net position	<u>(46,467,874)</u>	<u>10,146,546</u>	<u>(36,321,328)</u>
Total liabilities, deferred inflows and net position	<u>\$ 170,241,888</u>	<u>\$ 39,911,126</u>	<u>\$ 210,153,014</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,130,558	\$ 503,464	\$ -	\$ 213,225
Public safety	8,280,944	1,098,000	-	-
Transportation	2,758,664	23,358	-	800,623
Economic assistance and opportunity	588,339	-	21,500	-
Culture and recreation	1,492,445	107,992	10,439	2,913,719
Home and community services	7,556,475	9,022,259	-	2,186,289
Employee benefits	23,640,434	-	-	-
Debt service	404,327	-	-	-
Total governmental activities	<u>47,852,186</u>	<u>10,755,073</u>	<u>31,939</u>	<u>6,113,856</u>
Business-type activities:				
Municipal Lighting	21,261,894	19,850,316	-	-
Total business-type activities	<u>21,261,894</u>	<u>19,850,316</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 69,114,080</u>	<u>\$ 30,605,389</u>	<u>\$ 31,939</u>	<u>\$ 6,113,856</u>

General revenues:
Property taxes
Property tax items
Non-property tax items
Interest and earnings
Fines and penalties
Intergovernmental
Sales of property and compensation for loss
Miscellaneous
Interfund revenues
State sources
Operating transfers
Total general revenues and operating transfers
Changes in net assets
Net assets, beginning
Net assets, ending

See accompanying notes and independent auditor's report.

Exhibit B

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
<u>Activities</u>	<u>Activities</u>	
\$ (2,413,869)	\$ -	\$ (2,413,869)
(7,182,944)	-	(7,182,944)
(1,934,683)	-	(1,934,683)
(566,839)	-	(566,839)
1,539,705	-	1,539,705
3,652,073	-	3,652,073
(23,640,434)	-	(23,640,434)
(404,327)	-	(404,327)
<u>(30,951,318)</u>	<u>-</u>	<u>(30,951,318)</u>
-	(1,411,578)	(1,411,578)
-	(1,411,578)	(1,411,578)
<u>(30,951,318)</u>	<u>(1,411,578)</u>	<u>(32,362,896)</u>
11,468,743	-	11,468,743
193,910	77,484	271,394
5,127,185	-	5,127,185
76,976	10,549	87,525
278,911	-	278,911
1,185,061	-	1,185,061
388,355	-	388,355
250,300	73,331	323,631
791,663	232,698	1,024,361
3,783,076	-	3,783,076
652,997	(652,997)	-
<u>24,197,177</u>	<u>(258,935)</u>	<u>23,938,242</u>
(6,754,141)	(1,670,513)	(8,424,654)
<u>(39,713,733)</u>	<u>11,817,059</u>	<u>(27,896,674)</u>
<u>\$ (46,467,874)</u>	<u>\$ 10,146,546</u>	<u>\$ (36,321,328)</u>

See accompanying notes and independent auditor's report.

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2021

ASSETS	General	Special Revenue	Capital Projects	Debt Service	Total
Cash and equivalents	\$ 1,033,675	\$ 1,450,798	\$ 3,621,996	\$ -	\$ 6,106,469
Taxes receivable, net of allowance of \$38,270	825,420	-	-	-	825,420
Other receivable	228,260	1,059,980	173,333	-	1,461,573
State and federal receivables	1,991,555	-	214,836	-	2,206,391
Economic development loans, net of allowance of \$127,213	-	499,733	-	-	499,733
Due from other funds	2,623,802	1,245,095	-	-	3,868,897
Due from other governments	1,489,751	-	-	-	1,489,751
Restricted assets-cash and cash in time deposits	325,661	12,777,877	-	514,153	13,617,691
Prepaid expenses	526,991	169,167	-	-	696,158
Total assets	\$ 9,045,115	\$ 17,202,650	\$ 4,010,165	\$ 514,153	\$ 30,772,083
LIABILITIES					
Accounts payable	\$ 370,861	\$ 238,319	\$ 218,590	\$ -	\$ 827,770
Accrued liabilities	118,826	87,956	-	-	206,782
Due to other funds	27,997	1,109,240	2,734,980	-	3,872,217
Due to other governments	169,250	34	-	-	169,284
Other liabilities	1,106,823	-	-	-	1,106,823
Total liabilities	1,793,757	1,435,549	2,953,570	-	6,182,876
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Prepays	526,991	169,167	-	-	696,158
Long term loans & receivable	73,583	384,827	173,333	-	631,743
Restricted:					
Capital projects	-	10,713,376	883,262	-	11,596,638
Retirement of LTD	-	-	-	514,153	514,153
Aerial fire equip reserve	64,112	-	-	-	64,112
Asset seizure reserve	234,764	-	-	-	234,764
Clyde Lewis aircraft park reserve	26,785	-	-	-	26,785
Other restricted	-	2,064,501	-	-	2,064,501
Assigned:					
Encumbrances (Note 14)	438,167	20,698	-	-	458,865
Appropriated fund balance					
Designated for subsequent year's expenditures	220,000	-	-	-	220,000
Unappropriated fund balance	-	2,596,632	-	-	2,596,632
Unassigned	5,666,956	(182,100)	-	-	5,484,856
Total fund balances	7,251,358	15,767,101	1,056,595	514,153	24,589,207
Total liabilities, deferred inflows and fund balances	\$ 9,045,115	\$ 17,202,650	\$ 4,010,165	\$ 514,153	\$ 30,772,083

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 24,589,207
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	114,392,255
Deferred outflows:	
Pensions	13,260,251
Other post employment benefits	15,642,157
Defeasement loss	47,359
Long-term liabilities, including bonds payable, compensated absences, and other post employment benefits are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(20,686,876)
Bond premium	(385,407)
Compensated absences	(2,949,244)
Other post employment benefits	(172,821,615)
Net pension liability	(2,702,356)
Accrued bond interest is reflected in the statement of net position but not in the governmental funds.	(49,041)
Deferred inflows:	
Pensions	<u>(14,804,564)</u>
Net position of governmental activities	<u>\$ (46,467,874)</u>

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS**

Year Ended December 31, 2021

	General	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
Revenues					
Real property taxes	\$ 11,383,733	\$ 85,010	\$ -	\$ -	\$ 11,468,743
Real property tax items	193,910	-	-	-	193,910
Non-property tax items	5,127,185	-	-	-	5,127,185
Departmental income	1,898,270	8,469,152	-	-	10,367,422
Intergovernmental charges	-	1,185,061	-	-	1,185,061
Use of money and property	19,212	59,154	6,460	1,090	85,916
Licenses and permits	432,014	-	-	-	432,014
Fines and forfeitures	234,548	-	-	-	234,548
Sales of property & compensation for loss	80,280	308,075	-	-	388,355
Miscellaneous local sources	121,695	141,165	213,225	-	476,085
Interfund	655,988	135,675	-	-	791,663
State aid	3,783,076	126,226	4,330,405	-	8,239,707
Federal aid	-	10,439	1,444,000	-	1,454,439
Total revenues	23,929,911	10,519,957	5,994,090	1,090	40,445,048
Expenditures					
General governmental support	2,004,006	470,888	-	-	2,474,894
Public safety	8,096,367	-	-	-	8,096,367
Transportation	1,249,424	115,220	7,163,428	-	8,528,072
Economic assistance and opportunity	424,907	-	-	-	424,907
Culture and recreation	154,522	1,185,720	255,485	-	1,595,727
Home and community services	502,006	5,135,567	3,899,021	-	9,536,594
Employee benefits	7,598,141	2,352,394	-	-	9,950,535
Debt service	-	-	-	2,956,000	2,956,000
Total expenditures	20,029,373	9,259,789	11,317,934	2,956,000	43,563,096
Excess (deficit) of revenues over (under) expenditures	3,900,538	1,260,168	(5,323,844)	(2,954,910)	(3,118,048)
Other financing sources (uses)					
Operating transfers in	1,385,984	1,685,654	1,421,285	2,799,683	7,292,606
Operating transfers out	(3,748,049)	(2,891,560)	-	-	(6,639,609)
Proceeds long term debt	-	-	3,656,559	-	3,656,559
Total other financing sources (uses)	(2,362,065)	(1,205,906)	5,077,844	2,799,683	4,309,556
Net change in fund balances	1,538,473	54,262	(246,000)	(155,227)	1,191,508
Fund Balances, Beginning of Year	5,712,885	15,712,839	1,302,595	669,380	23,397,699
Fund Balances, End of Year	\$ 7,251,358	\$ 15,767,101	\$ 1,056,595	\$ 514,153	\$ 24,589,207

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021**

Amounts reported for *governmental activities* in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 1,191,508

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of the two components:

Capital outlay	11,680,773
Depreciation expense	(4,831,637)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.

Repayment of principal long-term debt	2,435,131
Amortization of bond premium	127,536
Amortization of defeasement loss	(13,727)
Proceeds long term debt	(3,656,559)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Compensated absences used exceeded the amount earned during the year	104,194
Other post employment benefits used exceeded the amount earned during the year	(14,340,565)
Accrued bond interest	2,733

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Employees' Retirement System	546,472
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Change in net position of governmental activities	\$ (6,754,141)
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CITY OF PLATTSBURGH

Exhibit E

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

December 31, 2021

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total Special Revenue
ASSETS							
Cash	\$ 129,841	\$ 409	\$ 239	\$ 3,691	\$ 936,992	\$ 379,626	\$ 1,450,798
Other receivables	-	4,575	1,814	387,447	664,971	1,173	1,059,980
Prepaid expenses	-	2,524	6,536	52,016	88,769	19,322	169,167
Economic development loans, net of allowance of \$127,213	499,733	-	-	-	-	-	499,733
Due from other funds	-	-	-	1,126,666	118,429	-	1,245,095
Due from other governments	-	-	-	-	-	-	-
Restricted assets - cash	2,064,501	-	148,826	61,652	10,098,714	404,184	12,777,877
State & federal receivables	-	-	-	-	-	-	-
Total assets	\$ 2,694,075	\$ 7,508	\$ 157,415	\$ 1,631,472	\$ 11,907,875	\$ 804,305	\$ 17,202,650
LIABILITIES							
Accounts payable	\$ 2,500	\$ 1,737	\$ 47,971	\$ 45,081	\$ 128,236	\$ 12,794	\$ 238,319
Accrued liabilities	-	2,989	3,856	29,021	39,667	12,423	87,956
Due to other funds	-	37,906	94,678	818,141	158,515	-	1,109,240
Due to other governments	-	-	-	34	-	-	34
Total liabilities	2,500	42,632	146,505	892,277	326,418	25,217	1,435,549
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable:							
Prepays	-	2,524	6,536	52,016	88,769	19,322	169,167
Long term loans & receivable	384,827	-	-	-	-	-	384,827
Restricted:							
Capital reserve	-	-	148,826	61,652	10,098,714	404,184	10,713,376
Retirement of LTD	-	-	-	-	-	-	-
Other restricted	2,064,501	-	-	-	-	-	2,064,501
Assigned:							
Encumbrances (Note 14)	6,625	-	-	3,816	10,257	-	20,698
Unappropriated fund balance	235,622	-	-	621,711	1,383,717	355,582	2,596,632
Unassigned	-	(37,648)	(144,452)	-	-	-	(182,100)
Total fund balances	2,691,575	(35,124)	10,910	739,195	11,581,457	779,088	15,767,101
Total liabilities and fund balances	\$ 2,694,075	\$ 7,508	\$ 157,415	\$ 1,631,472	\$ 11,907,875	\$ 804,305	\$ 17,202,650

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

Exhibit F

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - SPECIAL REVENUE FUNDS**

Year Ended December 31, 2021

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total Special Revenue
Revenues							
Real property taxes	\$ -	\$ 85,010	\$ -	\$ -	\$ -	\$ -	\$ 85,010
Departmental income	-	44,363	107,560	3,308,720	5,008,197	312	8,469,152
Intergovernmental charges	-	-	-	370,434	814,627	-	1,185,061
Use of money and property	15,421	15,644	5,755	(608)	21,328	1,614	59,154
Sales of property and compensation for loss	-	-	149,066	-	156,015	2,994	308,075
Miscellaneous local sources	-	7,540	46,971	12,069	22,205	52,380	141,165
Interfund Revenues	-	-	-	109,459	26,216	-	135,675
State aid	-	-	-	-	-	126,226	126,226
Federal aid	-	-	-	-	-	10,439	10,439
Total revenues	15,421	152,557	309,352	3,800,074	6,048,588	193,965	10,519,957
Expenditures							
General governmental support	-	-	31,736	287,986	146,077	5,089	470,888
Transportation	-	115,220	-	-	-	-	115,220
Culture and recreation	-	-	554,519	-	-	631,201	1,185,720
Home and community services	51,985	-	-	1,667,302	3,416,280	-	5,135,567
Employee benefits	-	34,486	59,796	775,666	1,231,704	250,742	2,352,394
Total expenditures	51,985	149,706	646,051	2,730,954	4,794,061	887,032	9,259,789
Excess (deficit) of revenues over (under) expenditures	(36,564)	2,851	(336,699)	1,069,120	1,254,527	(693,067)	1,260,168
Other financing sources (uses)							
Operating transfers in	-	149,918	821,850	-	-	713,886	1,685,654
Operating transfers out	-	(290,553)	(194,084)	(967,436)	(1,433,931)	(5,556)	(2,891,560)
Total other financing sources (uses)	-	(140,635)	627,766	(967,436)	(1,433,931)	708,330	(1,205,906)
Net change in fund balances	\$ (36,564)	\$ (137,784)	\$ 291,067	\$ 101,684	\$ (179,404)	\$ 15,263	\$ 54,262

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE- BUDGET AND ACTUAL - GENERAL FUND**

Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Real property taxes	\$ 11,411,727	\$ 11,411,727	\$ 11,383,733	\$ (27,994)
Real property tax items	157,134	157,134	193,910	36,776
Non-property tax items	4,195,772	4,195,772	5,127,185	931,413
Departmental income	1,888,720	1,888,720	1,898,270	9,550
Use of money and property	8,865	8,865	19,212	10,347
Licenses and permits	277,890	277,890	432,014	154,124
Fines and forfeitures	174,089	213,189	234,548	21,359
Sales of property and compensation for loss	40,500	74,955	80,280	5,325
Miscellaneous local sources	42,600	64,700	121,695	56,995
Interfund	807,750	807,750	655,988	(151,762)
State aid	2,467,687	2,467,687	3,783,076	1,315,389
Federal aid	5,000	5,000	-	(5,000)
Total revenues	21,477,734	21,573,389	23,929,911	2,356,522
Expenditures				
General governmental support	2,240,437	2,105,253	2,072,830	32,423
Public safety	7,383,719	8,021,173	8,115,839	(94,666)
Transportation	1,329,624	1,380,750	1,282,728	98,022
Economic assistance and opportunity	355,853	628,836	736,747	(107,911)
Culture and recreation	89,350	145,099	154,522	(9,423)
Home and community services	570,705	534,542	506,733	27,809
Employee benefits	7,687,164	7,583,776	7,598,141	(14,365)
Total expenditures	19,656,852	20,399,429	20,467,540	(68,111)
Excess (deficit) of revenues over (under) expenditures	1,820,882	1,173,960	3,462,371	2,288,411
Other financing sources (uses)				
Operating transfers in	1,185,984	1,185,984	1,385,984	200,000
Operating transfers out	(3,026,866)	(3,920,549)	(3,748,049)	172,500
Total other financing sources (uses)	(1,840,882)	(2,734,565)	(2,362,065)	372,500
Net Change in Fund Balance	\$ (20,000)	\$ (1,560,605)	\$ 1,100,306	\$ 2,660,911

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE- BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS
Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Real property taxes	\$ 85,010	\$ 85,010	\$ 85,010	\$ -
Departmental income	8,699,343	8,697,868	8,469,152	(228,716)
Intergovernmental charges	1,234,598	1,234,598	1,185,061	(49,537)
Use of money and property	163,645	161,695	43,733	(117,962)
Sales of property and compensation for loss	22,100	170,815	308,075	137,260
Miscellaneous local sources	-	-	141,165	141,165
Interfund revenues	130,624	130,624	135,675	5,051
State aid	80,445	80,445	126,226	45,781
Federal aid	10,000	10,000	10,439	439
Total revenues	10,425,765	10,571,055	10,504,536	(66,519)
Expenditures				
General governmental support	548,748	547,657	470,888	76,769
Transportation	159,893	160,001	115,220	44,781
Culture and recreation	1,002,229	834,453	1,185,720	(351,267)
Home and community services	5,828,245	5,784,443	5,104,280	680,163
Employee benefits	2,322,809	2,773,961	2,352,394	421,567
Total expenditures	9,861,924	10,100,515	9,228,502	872,013
Excess (deficit) of revenues over (under) expenditures	563,841	470,540	1,276,034	805,494
Other financing sources (uses)				
Operating transfers in	921,971	1,685,654	1,685,654	-
Operating transfers out	(1,369,517)	(2,626,990)	(2,891,560)	(264,570)
Total other financing sources (uses)	(447,546)	(941,336)	(1,205,906)	(264,570)
Net Change in Fund Balance	\$ 116,295	\$ (470,796)	\$ 70,128	\$ 540,924

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**

Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,090	\$ 1,090
Total revenues	-	-	1,090	1,090
Expenditures				
Debt service (principal and interest)	2,956,000	2,956,000	2,956,000	-
Total expenditures	2,956,000	2,956,000	2,956,000	-
Excess (deficit) of revenues over (under) expenditures	(2,956,000)	(2,956,000)	(2,954,910)	1,090
Other financing sources (uses)				
Operating transfers in	2,956,000	2,956,000	2,799,683	(156,317)
Total other financing sources (uses)	2,956,000	2,956,000	2,799,683	(156,317)
Net Change in Fund Balance	\$ -	\$ -	\$ (155,227)	\$ (155,227)

See accompanying notes and independent auditor's report.

STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2021

	2021
ASSETS	
Cash and equivalents	\$ 99,126
Accounts receivable, net of allowance of \$65,000	1,566,346
Inventories	1,367,261
Prepaid expenses	152,701
Restricted assets-cash and cash in time deposits	3,180,338
Due from other funds	80,310
Fixed assets, net of accumulated depreciation	30,630,198
Total assets	37,076,280
DEFERRED OUTFLOWS OF RESOURCES	
Pension	1,776,941
Other post employment benefits	1,134,895
Total deferred outflows of resources	2,911,836
Total assets and deferred outflows of resources	\$ 39,988,116
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,661,954
Accrued liabilities	101,487
Due to other funds	76,990
Customer deposits	773,952
Bonds payable, current portion	643,191
Total current liabilities	3,257,574
Non-current liabilities:	
Compensated absences	541,789
Other post employment benefits	19,718,017
Bonds payable	3,987,322
Net pension liability- proportionate share	7,857
Total non-current liabilities	24,254,985
Total liabilities	27,512,559
DEFERRED INFLOWS OF RESOURCES	
Other post employment benefits	-
Pensions	2,329,011
Total deferred inflows of resources	2,329,011
NET POSITION	
Net investment in capital assets	25,999,685
Restricted for capital projects	677,579
Restricted for debt service	206,487
Restricted for other purposes	2,296,272
Unrestricted	(19,033,477)
Total net position	10,146,546
Total liabilities, deferred inflows and net position	\$ 39,988,116

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUND**

Year ended December 31, 2021

	<u>2021</u>
Charges for services:	
Municipal charges	\$ 19,850,316
Interfund charges	232,698
Miscellaneous income	<u>73,331</u>
Total charges for services	<u>20,156,345</u>
Operating expenses:	
Salaries and wages	1,903,829
Fringe benefits	2,967,394
Electric and power	13,968,702
Real property taxes	101,633
Bad debts	46,900
Depreciation	<u>2,158,806</u>
Total operating expenses	<u>21,147,264</u>
Net operating loss	<u>(990,919)</u>
Nonoperating income (expenses)	
Payments in lieu of taxes	77,484
Use of money and property	10,549
Interest expense	<u>(114,630)</u>
Total nonoperating income (expense)	<u>(26,597)</u>
Change in net position before transfers	<u>(1,017,516)</u>
Transfers	
Payments in lieu of taxes	(420,299)
Contributions to municipality - cash	<u>(232,698)</u>
Total transfers	<u>(652,997)</u>
Change in net position	(1,670,513)
Net position and required reserves, January 1	<u>11,817,059</u>
Net position and required reserves, December 31	<u>\$ 10,146,546</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

Exhibit L

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2021

	<u>2021</u>
Net cash provided (used) by operating activities	
Cash received from customers	\$ 20,147,827
Cash paid to suppliers and other vendors	(14,161,681)
Cash paid for salaries and employee benefits	(3,466,174)
Other revenue	206,709
Net cash provided by operating activities	<u>2,726,681</u>
Net cash provided (used) by non-capital and financing activities	
Real property taxes	(101,633)
Payments in lieu of taxes	77,484
Net cash used by non-capital and financing activities	<u>(24,149)</u>
Net cash provided (used) by investing activities	
Purchase of investments	(1,046,184)
Interest income	1,614
Net cash used by investing activities	<u>(1,044,570)</u>
Net cash provided (used) by capital and related financing activities	
Principal payments on debt	(633,388)
Interest expense on debt	(200,515)
Payments to contractors	(1,072,536)
Net cash used by capital and related financing activities	<u>(1,906,439)</u>
Net decrease in cash and cash equivalents	(248,477)
Cash and cash equivalents, beginning of year	<u>347,603</u>
Cash and cash equivalents, end of year	<u>\$ 99,126</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (990,919)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Contributions to municipality	(652,997)
Real property taxes	101,633
Rental of real property	8,935
GASB 68 pension adjustments	(120,016)
Other post employment benefits	1,550,899
Bad debts	46,900
Depreciation	2,158,806
(Increase) decrease in assets:	
Account receivable	64,813
Due from other funds	55,444
Inventories	(21,468)
Prepaid expenses	6,863
Increase (decrease) in liabilities:	
Accounts payable	332,685
Accrued liabilities	15,962
Due to other funds	70,532
Customer deposits	124,443
Compensated absences	(25,834)
Net cash provided by operating activities	<u>\$ 2,726,681</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH, NEW YORK

Exhibit M

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021

	Custodial Fund 2021
<u>ASSETS</u>	
Restricted cash	<u>\$ 12,733</u>
Total assets	<u><u>\$ 12,733</u></u>
<u>NET POSITION</u>	
Held for others	<u>\$ 12,733</u>
Total liabilities and net position	<u><u>\$ 12,733</u></u>

See accompanying notes and independent auditor's report.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
December 31, 2021

	Custodial Fund 2021
<hr/>	
ADDITIONS	
Member contributions	\$ 80,272
DEDUCTIONS	
Program expenses	<u>82,515</u>
Changes in Net Position	(2,243)
Net Position, Beginning of Year	<u>14,976</u>
Net Position, End of Year	<u><u>\$ 12,733</u></u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The City of Plattsburgh, New York, was established and is governed pursuant to Section 163 and 164 of Chapter 269 of the New York State Laws of 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 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 recreation (including a multi-purpose recreation center, beach and library).

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

COMPONENT UNITS

The financial reporting entity consists of (a) the primary government which is the City of Plattsburgh, (b) organizations for which the primary government is financially accountable, and (c) 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 as set forth in GASB Statement 61.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth in Statement No. 61 of the Governmental Accounting Standards Board including legal standing, fiscal dependency, financial accountability and overall materiality to the primary government. Based on the application of these criteria, there are currently no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). All applicable GASB Statements have been implemented including GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which the City was required to implement effective fiscal year ended December 31, 2003. The government-wide, proprietary fund, and component unit financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principal Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Proprietary and fiduciary fund financial statements and financial statements of component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the City has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both 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 within sixty (60) days of the end of the fiscal year. A ninety (90) day availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

Major revenue sources susceptible to accrual include: property taxes, franchise taxes, special assessments, and licenses, charges for service, interest income and intergovernmental revenues. In general, other revenues are recognized when cash is received. Sales taxes collected and held by the State of New York at year end on behalf of the government are accrued based on anticipated sales tax revenue due to the City.

Operating income reported in proprietary fund financial statements includes revenues and expense related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charged to customers for sales or services. Principal operating 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.

FUND TYPES AND MAJOR FUNDS

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements.

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.

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 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.

Sewer Fund - 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.

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.

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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

FUND TYPES AND MAJOR FUNDS (continued)

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

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

Capital Projects Fund - The capital projects 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 - The debt service 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.

Proprietary Fund

The City reports the following major proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains one enterprise fund to account for the operations of the City's municipal lighting department.

Fiduciary Fund

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

PERVASIVENESS OF ESTIMATES

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

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGETARY DATA

BUDGET 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.

For purposes of comparing current period amounts expended and encumbered with current period budgeted amounts, encumbrances are included with expenditures on Exhibits G, H, and I - Statement of Revenues and Expenditures - Budget and Actual - General Fund, Special Revenue Fund and Debt Service Fund.

A reconciliation of revenues and expenditures for the General Fund, Special Revenue Fund, and Debt Service Fund on Exhibits G, H, and I - Statement of Revenues and Expenditures - Budget and Actual - General Fund, Special Revenue Fund, and Debt Service Fund to revenues and expenditures for the respective funds on Exhibit D - Combined Statement of Revenues and Expenditures and Changes In Fund Balances – Governmental Funds:

Revenues	General Fund	Special Revenue Fund	Debt Service Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues included in budget comparison - Exhibits G, H and I	\$ 23,929,911	\$ 10,504,536	\$ 1,090
Plus revenues from Special Revenue funds excluded in budget comparison	-	15,421	-
Revenues per Exhibit D	<u>\$ 23,929,911</u>	<u>\$ 10,519,957</u>	<u>\$ 1,090</u>
 Expenditures			
Expenditures included in budget comparison - Exhibits G, H, and I	\$ 20,467,540	\$ 9,228,502	\$ 2,956,000
Plus Expenditures from Special Revenue Funds excluded in budget comparison	-	51,985	-
Less Encumbrances included in budget comparison	(438,167)	(20,698)	-
Expenditures per Exhibit D	<u>\$ 20,029,373</u>	<u>\$ 9,259,789</u>	<u>\$ 2,956,000</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGETARY DATA (continued)

BUDGETARY CONTROL

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.

CASH

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.

RECEIVABLES

Receivables are presented net of allowances for doubtful accounts. The amounts of these allowances by fund follow:

Fund	Taxes Receivable	Other Receivables	Economic Development Loans
General	\$ 38,270	\$ -	\$ -
Special revenue	-	-	128,365
Enterprise	-	65,000	-
	\$ 38,270	\$ 65,000	\$ 128,365

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVENTORIES

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

CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

Governmental funds

The City's land, buildings, improvements, and machinery and equipment with useful lives of 5-75 years are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary and component unit capital assets are also reported in their respective fund and combining component units' financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 - 75 years
Machinery and Equipment	5-10 years

Proprietary fund

Fixed assets are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Construction in progress represents numerous projects that will be transferred to the appropriate fixed asset category and depreciated upon their completion. Depreciation is computed on the group method over the estimated useful lives of the assets as follows:

Buildings	50 - 75 years
Transmissions and distribution equipment	30 - 36 years
Machinery	10 years
Office Equipment	25 years

Equity Classifications

City-wide Statements:

In the city-wide 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, constructions or improvements of those assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted net position - reports net position when constraints placed on those assets 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 are deemed to be available for general use by the District.

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.

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 \$696,158 and long-term loans & receivables for \$631,743.

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. All encumbrances of funds other than the General fund are classified as restricted fund balance.

General Fund

Asset Forfeiture Reserve – An amount reserved to purchase equipment for police department. Reserve balance at December 31, 2021 was \$234,764.

Aerial Fire Equipment Reserve - An amount reserved for the future purchase of, or payment on, an Aerial Fire Truck. Reserve balance at December 31, 2021 was \$64,112.

Clyde Lewis Aircraft Park Reserve - An amount reserved for annual maintenance and upkeep of the aircraft.. Reserve balance at December 31, 2021 was \$26,785.

Special Revenue Fund

Sewer

Capital Reserve - Established 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. Reserve balance at December 31, 2021 was \$10,098,714.

Water

Capital Reserve - Established 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. Reserve balance at December 31, 2021 was \$61,652.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Library

Capital Reserve - Established October 22, 2013, pursuant to Section 6(c) of the General Municipal Law for the construction and/or reconstruction of the City's Library. Reserve balance at December 31, 2021 was \$404,184.

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 purposes 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 and/or interest of the indebtedness from which these proceeds were derived. Reserve balance at December 31, 2021 was \$514,153.

Enterprise Fund

Electric Distribution System Bond Reserve Fund - Established July 27, 1978, pursuant to Section 6(h) of the General Municipal Law for the payment of bonded indebtedness. Maximum allowed accumulation is up to two years of debt service. Reserve balance at December 31, 2021 was \$206,487.

Reserve for Capital Projects (Municipal Lighting) - Required to be maintained by Section 6(k) of the General Municipal Law. These monies can only be used for improvements, extension, or replacement of electric services or for payment of indebtedness incurred for such purposes. Reserve balance at December 31, 2021 was \$677,579.

Retirement Reserve – Established to provide resources for future required retirement payments.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's level of decision making authority, i.e., the Mayor and common council. The City has no committed fund balances as of December 31, 2021.

Assigned – Includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$438,167 and Special Revenue Fund amounted to \$20,698.

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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Order of Use of Fund Balance:

The City's policy is to apply expenditures against nonspendable 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, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are 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. Assignments of fund balance cannot cause a negative unassigned fund balance.

PROGRAM REVENUES

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes.

PROPRIETARY FUNDS OPERATING AND NONOPERATING REVENUES AND EXPENSES

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

POST-EMPLOYMENT BENEFITS

The City of Plattsburgh, New York, provides certain health care benefits for retired employees. Health care costs include a prescription plan with co-payment of \$0 minimum to \$40 maximum depending on the plan chosen per participant, 20% coinsurance participant cost to a maximum of \$500 for major medical costs, and reimbursement to retiree and spouse for Medicare Part B insurance of between \$104.90 minimum to \$335.70 maximum per month. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. As of April 1, 1991, all present full time and equivalent City employees must serve for 20 years for the City to pay health care coverage unless otherwise prohibited by bargaining contract. All new hires will not be accorded any retirement health care coverage unless otherwise given in contract. The City accrues these costs when incurred. Segregation of these costs from ordinary employee benefits is not feasible at this time.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, under General Municipal Law, the City is responsible for post-employment benefits to City firefighters who become disabled as a result of an injury or illness incurred in the line of duty. This post-employment benefit is the difference between the amount received from the pension system and regular salary. The City accounts for this post-employment benefit on a pay-as-you-go basis and the cost recognized in 2021 amounted to \$196,507 for 7 individuals.

EVENTS OCCURRING AFTER THE REPORTING DATE

The City has evaluated events and transactions that occurred between December 31, 2021 and July 14, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NEW ACCOUNTING STANDARDS:

For the year ended December 31, 2021, the City implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.

NOTE 2. CASH 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, 2021, is comprised as follows:

	Non-restricted Cash	Restricted Cash
Petty cash funds	\$ 6,970	\$ -
Non-interest bearing accounts	2,819,588	-
Interest bearing accounts	3,379,037	16,810,762
	<u>\$ 6,205,595</u>	<u>\$ 16,810,762</u>

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 \$24,471,417 of which, \$500,000 was covered by Federal depository insurance and \$23,971,417 was covered by collateral.

Pooled Bank Accounts - Separate bank accounts are not maintained for all of the City's funds. Instead, most of the cash is deposited in pooled checking and savings accounts with accounting records maintained to show the portion of the balance attributable to each fund. At December 31, 2021 the City's funds had the book balances shown in the following schedule in the pooled bank accounts:

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 2. CASH AND INVESTMENTS (continued)

Fund	Cash
General	\$ 908,625
Water	3,641
Sewer	1,055,421
Library	379,426
Debt Service	514,153
Parking	409
Recreation	149,065
Proprietary	4,967
	<u>\$ 3,015,707</u>

NOTE 3. 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 30

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 4. 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, 2021 was \$242,383 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, 2021 was \$38,422.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Interfund balances at December 31, 2021 were as follows:

	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
General	\$ 2,623,802	\$ 27,997	\$ 1,385,984	\$ 3,748,049
Special Revenue	1,245,095	1,109,240	1,685,654	2,891,560
Capital Projects	-	2,734,980	1,421,285	-
Debt Service	-	-	2,799,683	-
Enterprise Fund	80,310	76,990	-	652,997
Total	<u>\$ 3,949,207</u>	<u>\$ 3,949,207</u>	<u>\$ 7,292,606</u>	<u>\$ 7,292,606</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, 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 6. RESTRICTED CASH

Restricted cash consists of the following:

Fund	Restricted Cash Balance	Restriction
General	\$ 64,112	Fire equipment purchases
	234,764	Police equipment purchases
	26,785	Clyde Lewis aircraft park maintenance
Total General	<u>\$ 325,661</u>	
Special Revenue	<u>\$ 12,777,877</u>	Water, Sewer, Recreation and Library fund capital reserves
Debt Service	<u>\$ 514,153</u>	Bond Debt Reserve - Time Deposit
Enterprise	\$ 10	Bond Debt Reserve - Time Deposit
	10	Depreciation Reserve
	3,180,318	Other Deposits
Total Enterprise	<u>\$ 3,180,338</u>	
Custodial	12,733	Other
	<u>\$ 12,733</u>	

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7. CAPITAL ASSETS

A summary of changes in the City's capital assets for governmental activities is as follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Land	\$ 22,755,181	\$ 91,591	\$ -	\$ 22,846,772
Infrastructure	98,139,106	7,707,265	-	105,846,371
Buildings & improvements	55,326,742	3,671,587	-	58,998,329
Machinery and equipment	20,877,174	629,662	61,361	21,445,475
Construction in progress	1,773,463	11,317,934	11,737,266	1,354,131
Total	<u>198,871,666</u>	<u>\$ 23,418,039</u>	<u>\$ 11,798,627</u>	<u>210,491,078</u>
Less accumulated depreciation	<u>91,328,547</u>			<u>96,098,823</u>
	<u>\$ 107,543,119</u>			<u>\$ 114,392,255</u>

Depreciation was charged to governmental functions as follows:

	12/31/2021
General governmental support	\$ 681,509
Public safety	325,873
Transportation	1,394,020
Economic assistance and opportunity	199,912
Culture and recreation	276,372
Home and community services	1,953,951
	<u>\$ 4,831,637</u>

A detail of the City's capital assets for business type activities is as follows:

FIXED ASSETS				
DESCRIPTION	12/31/2020	ADDITIONS	DELETIONS	12/31/2021
Land	\$ 703,561	\$ -	\$ -	\$ 703,561
Buildings	2,303,103	26,218	-	2,329,321
Improvements	66,815,510	642,436	20,791	67,437,155
Machinery and equipment	11,382,914	453,778	264,593	11,572,099
Construction in progress	46,381	1,013,194	913,302	146,273
Total	<u>81,251,469</u>	<u>\$ 2,135,626</u>	<u>\$ 1,198,686</u>	<u>82,188,409</u>
Less accumulated depreciation	<u>49,535,001</u>			<u>51,558,211</u>
	<u>\$ 31,716,468</u>			<u>\$ 30,630,198</u>

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CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 8. BONDS

Changes in long-term debt for the year ended December 31, 2021 were as follows:

Governmental Activities:	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
General obligation bonds	\$ 19,465,448	\$ 3,656,559	\$ 2,435,131	\$ 20,686,876
Bond premium, net of amort	512,943	-	127,536	385,407
Net OPEB liabilities	150,987,468	21,834,147	-	172,821,615
Net pension liability	15,282,535	-	12,580,179	2,702,356
Compensated absences	3,053,438	-	104,194	2,949,244
	<u>\$ 189,301,832</u>	<u>\$ 25,490,706</u>	<u>\$ 15,247,040</u>	<u>\$ 199,545,498</u>

Business-type Activities:	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
General obligation bonds	\$ 4,955,193	\$ -	\$ 633,388	\$ 4,321,805
Bond premium, net of amort	394,593	-	85,885	308,708
Net OPEB liabilities	17,735,324	1,982,693	-	19,718,017
Net pension liability	2,047,329	-	2,039,472	7,857
Compensated absences	567,623	-	25,834	541,789
	<u>\$ 25,700,062</u>	<u>\$ 1,982,693</u>	<u>\$ 2,784,579</u>	<u>\$ 24,898,176</u>

Total interest expenditures for the year ended December 31, 2021, were as follows:

	Governmental Activities	Business-type Activities
Interest paid	\$ 520,870	\$ 204,235
Increase (decrease) in accrued interest	(2,733)	(3,720)
Amortization - defeasement	13,727	-
Amortization - bond premium	<u>(127,536)</u>	<u>(85,885)</u>
Totals	<u>\$ 404,328</u>	<u>\$ 114,630</u>

Bond Premium: In the governmental activities, a bond premium of \$687,987 is amortized over 10 years (life of the bond) using the interest method. Amortization of the premium was \$127,536 for the year ended December 31, 2021 and is included in interest expense. In the business-type activities, a bond premium of \$507,701 is amortized over 10 years (life of the bond) using the interest method. Amortization of the premium was \$85,885 for the year ended December 31, 2021 and is included in interest expense.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 8. BONDS (continued)

The annual debt service requirements relating to bonds are as follows:

Year	Principal		Total Principal
	Governmental Activities	Business-type Activities	
2022	\$ 2,406,809	\$ 643,191	\$ 3,050,000
2023	2,531,485	646,646	3,178,131
2024	2,543,890	674,241	3,218,131
2025	2,315,631	472,500	2,788,131
2026	2,240,631	472,500	2,713,131
2027-2031	5,650,050	1,412,727	7,062,777
Thereafter	2,998,380	-	2,998,380
	<u>\$ 20,686,876</u>	<u>\$ 4,321,805</u>	<u>\$ 25,008,681</u>

Year	Interest		Total Interest
	Governmental Activities	Business-type Activities	
2022	\$ 458,955	\$ 176,176	\$ 635,131
2023	391,221	147,741	538,962
2024	318,404	118,620	437,024
2025	243,753	91,947	335,700
2026	175,700	68,321	244,021
2027-2031	260,564	84,573	345,137
	<u>\$ 1,848,597</u>	<u>\$ 687,378</u>	<u>\$ 2,535,975</u>

Debt service expenditures are recorded in the fund that benefited from the capital project financed by the bonds or notes, i.e. the general fund, the appropriate special revenue fund or the enterprise fund.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 8. BONDS (continued)

General obligation bonds consist of the following:

Governmental funds

\$8,839,095, Public Improvement Serial Bond of 2017, due in annual installments of \$850,000 to \$900,000 , interest variable at 2.25%-3.00%.	\$ 5,310,000
\$1,870,200, Public Improvement Refunding Serial Bonds, variable principal payments through 2026, interest variable at 2.125%-3.00%.	419,351
\$6,488,519 Public Improvement Serial Bond of 2020, variable principal payments through 2030, interest variable at 1.0%-2.0%.	5,875,000
\$1,101,701 Refunding Public Improvement Serial Bonds of 2019 due in annual installments of \$22,273 to \$202,373 through 2029, interest variable at 4.0% -5.0%	733,844
\$4,975,000 Refunding Public Improvement Serial Bonds of 2019 due in annual installments of \$292,122 to \$510,000 through 2030, interest variable at 3.0%-5.0%	3,522,122
\$2,369,771 NYS Environmental Facilities Bond of 2012, due in annual installments of \$140,000 to \$155,000 through 2029, interest variable at 1.955% to 3.468%	1,170,000
\$3,656,559 NYS Environmental Facilities Bond of 2021, due in November 2024, expected to be financed long term, no current interest charged.	3,656,559
Total Governmental Activities	<u>20,686,876</u>

Business-type Activities

\$1,584,800 Public Improvement Refunding Serial Bonds of 2016, variable principal payments through 2024, interest at 3.00%.	580,649
\$4,623,299 Refunding Public Improvement Serial Bonds of 2019 due in annual installments of \$452,627 to \$474,720 through 2029, interest variable at 4.0 % -5.0%	3,741,156
Total Business-type Activities	<u>4,321,805</u>

Total General Obligation Bonds	<u>\$ 25,008,681</u>
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In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 9. OTHER LIABILITIES

The City received funding from the American Rescue Plan Coronavirus Local Fiscal Recovery Fund. One half of the allocation was received in 2021 amounting to \$1,000,766. At December 31, 2021, none of the funding was spent. This liability will remain until all eligibility requirements are met (including eligible expenditures incurred).

NOTE 10. POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the Altona Sludge lagoon for thirty years after closure plan acceptance in 1991. The City reports post closure care costs as an operating expense for each year in the Sewer Fund. For December 31, 2021, this amount was \$1,616.

NOTE 11. RETIREMENT BENEFITS

Employees' Retirement System (ERS)

Plan Description

The City 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 are 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 net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. The City 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 obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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 age 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

NOTE 11. RETIREMENT BENEFITS (continued)

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.

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 year 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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 11. RETIREMENT BENEFITS (continued)

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.

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.

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 of exceed 3 percent.

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 base on salaries paid during the System's fiscal year ending March 31.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 11. RETIREMENT BENEFITS (continued)

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

Contributions:

	ERS		PFRS	
2021	\$	1,102,243	\$	1,566,308
2020	\$	1,126,889	\$	1,331,867
2019	\$	1,112,298	\$	1,519,740

ERS and PFRS have provided additional disclosures for entities that elected to participate in Chapter 260, 57, and 105.

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

At December 31, 2021 the City reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The City's proportion of the net pension liability was based on a projection of the City'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 Systems in reports provided to the City.

	ERS		PFRS	
Measurement Date	3/31/2021		3/31/2021	
Net Pension liability	\$	(28,500)	\$	(2,681,713)
City's portion of the Plan's total net pension liability		-0.0286220%		-0.1544520%
Change in proportion since prior measurement date	\$	7,582,389	\$	7,037,262

For the year ended December 31, 2021, the City's recognized pension expense of \$620,895 for ERS and \$1,328,713 for PFRS. At December 31, 2021 the City's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 11. RETIREMENT BENEFITS (continued)

	Governmental Activities			Business-type Activities	Total Primary Government
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>	<u>ERS</u>	<u>ERS & PFRS</u>
Deferred Outflows of Resources:					
Differences between expected and actual experience	\$ 252,102	\$ 595,058	\$ 847,160	\$ 95,961	\$ 943,121
Changes of assumptions	3,795,508	6,588,678	10,384,186	1,444,735	11,828,921
Changes in proportion and differences between the City's contributions and proportionate share of contributions	21,828	233,601	255,429	8,308	263,737
City's contributions subsequent to the measurement date	598,745	1,174,731	1,773,476	227,937	2,001,413
Total	<u>\$ 4,668,183</u>	<u>\$ 8,592,068</u>	<u>\$ 13,260,251</u>	<u>\$ 1,776,941</u>	<u>\$ 15,037,192</u>
Deferred Inflows of Resources:					
Changes in assumptions	\$ 71,585	\$ -	\$ 71,585	\$ 27,248	\$ 98,833
Net difference between projected and actual earnings on pension plan investments	5,929,769	7,885,419	13,815,188	2,257,128	16,072,316
Changes in proportion and differences between the City's contributions and proportionate share of contributions	117,263	800,528	917,791	44,635	962,426
Total	<u>\$ 6,118,617</u>	<u>\$ 8,685,947</u>	<u>\$ 14,804,564</u>	<u>\$ 2,329,011</u>	<u>\$ 17,133,575</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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

Year ended:	<u>ERS</u>	<u>PFRS</u>
2022	\$ (525,627)	\$ (463,065)
2023	(231,247)	(146,833)
2024	(482,443)	(370,122)
2025	(1,589,869)	(1,476,044)
2026	-	1,187,454
Total	<u>\$ (2,829,186)</u>	<u>\$ (1,268,610)</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 11. RETIREMENT BENEFITS (continued)

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 valuation used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	3/31/2021	3/31/2021
Actuarial valuation date	4/1/2020	4/1/2020
Interest rate	5.9%	5.9%
Salary scale	4.4%	6.2%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	April 1, 2015- March 31, 2020 System's Experience
Inflation rate	2.7%	2.7%

For ERS and PFRS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

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

The Long term rate of return on pension plan investments was determined using a build block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation.

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

NOTE 11. RETIREMENT BENEFITS (continued)

	Long-Term Expected Real Rate of Return
Measurement Date	3/31/2021
Asset Type:	%
Domestic equity	4.05
International equity	6.30
Private equity	6.75
Real estate	4.95
Opportunistic/ ARS portfolio	4.50
Credit	3.63
Real assets	5.95
Cash	0.50

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% 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 for the Net Pension Liability to the Discount Rate Assumption

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

ERS	1% Decrease	Current Assumption	1% Increase
	4.9%	5.9%	6.9%
Employer's proportionate share of the net pension asset (liability)	\$ (7,910,515)	\$ (28,500)	\$ 7,240,563
	1% Decrease	Current Assumption	1% Increase
	4.9%	5.9%	6.9%
Employer's proportionate share of the net pension asset (liability)	\$ (11,404,154)	\$ (2,681,713)	\$ 4,538,214

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 11. RETIREMENT BENEFITS (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	\$ 220,680,157	\$ 41,236,775	\$ 261,916,932
Plan Net Position	220,580,583	39,500,500	260,081,083
Employers' net pension liability	<u>\$ 99,574</u>	<u>\$ 1,736,275</u>	<u>\$ 1,835,849</u>
Ratio of plan net position to the Employers' total pension liability	99.95%	95.79%	99.30%

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of December 31, 2021 amounted to \$0. The ERS premium of \$1,102,243 was paid December 15, 2021, generating a prepaid expense of \$275,561 at December 31, 2021. The PFRS premium of \$1,566,308 was paid December 15, 2021, generating a prepaid expense of \$391,577 at December 31, 2021.

Deferred Compensation Plan - Employees of the City of Plattsburgh 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.

NOTE 12. POST-EMPLOYMENT (HEALTH INSURANCE) 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.

A. 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 a 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.

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

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 12. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (continued)

Employees Covered by Benefit Terms – At December 31, 2021, the following employees were covered by the benefit terms:

Active not eligible to retire	162
Actives eligible to retire	23
Retired and surviving spouses	236
Retire spouses covered	<u>159</u>
	<u><u>580</u></u>

B. Total OPEB Liability

The City's total OPEB liability of \$192,539,632 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.44 percent
Salary Increases	3.44 percent
Discount Rate	2.19 percent
Healthcare Cost Trend Rate	6.1 percent for 2021, increasing to a rate of 4.37 percent for later years

The discount rate was based on Fidelity Municipal Go AA 20-year Bond..

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, as appropriate, with generational mortality using scale MP-2021.

C. Changes in the Total OPEB Liability

Balance at December 31, 2020	<u>\$ 168,722,792</u>
<u>Changes for the Year-</u>	
Service Cost	1,690,766
Interest	3,979,043
Changes of benefit terms	(23,052)
Differences between expected and actual experience	14,176,285
Changes in assumptions or other inputs	9,301,832
Benefit payments	<u>(5,308,034)</u>
Net Changes	<u>23,816,840</u>
Balance at December 31, 2021	<u><u>\$ 192,539,632</u></u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 12. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.41% in 2020 to 2.19% in 2021.

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 City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.19 percent) or 1 percentage point higher (3.19 percent) than the current discount rate:

	1% Decrease 1.41%	Discount Rate 2.41%	1% Increase 3.41%
Total OPEB Liability	<u>\$ 230,927,114</u>	<u>\$ 192,539,632</u>	<u>\$ 162,937,111</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 160,490,936</u>	<u>\$ 192,539,632</u>	<u>\$ 234,165,716</u>

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$21,330,495. At December 31, 2021, 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	\$ 8,779,646	\$ -
Changes of assumptions or other inputs	6,655,815	-
Contributions subsequent to the measurement period	<u>1,341,591</u>	<u>-</u>
Total	<u>\$ 16,777,052</u>	<u>\$ -</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 12. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (continued)

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

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 12,638,634
2023	<u>2,796,827</u>
	<u>\$ 15,435,461</u>

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 on Exhibit D franchise fee revenue was \$231,188 based on gross revenue of \$4,623,760.

Note 14. ASSIGNED FUND BALANCE – ENCUMBRANCES

Assigned Fund Balance – Includes year end encumbrances as follows:

<u>December 31, 2021</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
General	\$ 68,824	\$ -	\$ 68,824
Public safety	19,472	-	19,472
Transportation	33,304	-	33,304
Economic assistance and opportunity	311,840	-	311,840
Home & community services	4,727	20,698	25,425
	<u>\$ 438,167</u>	<u>\$ 20,698</u>	<u>\$ 458,865</u>

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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 15. COMMITMENTS AND CONTINGENCIES (continued)

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 \$26,785 at the end of 2021 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 2021 totaling \$12,785.

Law Suits

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 \$75,000 to \$200,000 taken as a whole.

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 that may arise would be \$341,600.

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, 2021, 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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 15. COMMITMENTS AND CONTINGENCIES (continued)

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 2021, the reserve balance of the NYS DEC funding was \$514,153.

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. The City is currently taking an 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, 2018. Negotiations concluded on August 5th, 2021, with a contract renewal covering the period from July 1st, 2018 through June 30th, 2024. Payroll increases under the new agreement begin with four \$.50 per hour pay rate hike each occurring on 7/1/2018, 1/1/2019, 1/1/2020 and 1/1/2021, after which, three 1.5% pay rate increases will take effect each occurring on 1/1/2022, 1/1/2023 and finally on 1/1/2024.

The City's contract with Local 2421 of The International Association of Firefighters was settled during 2018 establishing pay increases for the years 2014 through 2020, and that renewed contract has been extended through a Memorandum of Understanding (MOU) for the years 2021 and 2022, expiring on December 31, 2022.

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 increase 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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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 tentatively 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. The international office of the IBEW union has not ratified the contract to date so any changes have not been implemented as of the date of these statements.

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, 2019, and was renewed on December 19th, 2019, for three years through June 30, 2022, with a 2% increases per contract year in 2019 and 2020 and a 1.5% increase in 2021 per employee except for the Library Pages. Library Pages were increased to \$12.75 per hour July 1st, 2019, \$13.25 per hour July 1st, 2020, and \$13.75 per hour on July 1st, 2021.

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, 2021:

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	\$ 363,867	\$6,946
Plattsburgh Housing Authority	State of New York Amended	4/17/1951 3/4/2010	Consolidated Laws Chapter 44-A	Income PILOT	290,268	83,531
Plattsburgh Municipal Lighting	NYSPSC		Order 06-E-1496	Valuation PILOT plus service payment for street lighting	414,343	652,698
2021 Total					<u>\$ 1,068,478</u>	<u>\$ 743,175</u>

The City received payment in Lieu of Tax (PILOT) payments totaling \$90,477.

Other Supplemental Information

City of Plattsburgh

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended December 31, 2021**

NYSERS Pension Plan
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's proportion of the net pension liability	0.0286220%	0.0287414%	0.0303305%	0.0327848%	0.0311668%	0.0311625%	0.0309069%			
City's proportionate share of the net pension liability	\$ 28,500	\$ 7,610,889	\$ 2,149,005	\$ 1,058,113	\$ 2,928,503	\$ 5,001,661	\$ 1,044,110			
City's covered employee payroll	\$ 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	0.33%	94.49%	25.56%	12.19%	29.30%	51.89%	11.84%			
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%			

* The amounts presented for each fiscal year were determined as of 12/31

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the City is presenting information for those years for which information is available.

City of Plattsburgh

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
Year Ended December 31, 2021**

NYSERS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,102,243	\$ 1,126,889	\$ 1,112,298	\$ 1,210,750	\$ 1,288,179	\$ 1,208,988	\$ 1,381,855	\$ 1,608,062	\$ 1,509,264	\$ 1,367,269
Contributions in relation to the contractually required contribution	\$ 1,102,243	\$ 1,126,889	\$ 1,112,298	\$ 1,210,750	\$ 1,288,179	\$ 1,208,988	\$ 1,381,855	\$ 1,608,062	\$ 1,509,264	\$ 1,367,269
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered employee payroll	\$ 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	12.8%	14.0%	13.2%	13.9%	12.9%	12.5%	15.7%			

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the City is presenting information for those years for which information is available.

City of Plattsburgh

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended December 31, 2021

NYSPFRS Pension Plan
 Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City's proportion of the net pension liability	0.1544520%	0.1818352%	0.1520220%	0.1678800%	0.1700469%	0.1981158%	0.1815705%			
City's proportionate share of the net pension liability	\$ 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	\$ 6,489,548	\$ 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	41.32%	152.18%	24.77%	24.77%	63.81%	101.83%	7.56%			
Plan fiduciary net position as a percentage of the total pension liability	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.03%			

* The amounts presented for each fiscal year were determined as of 12/31

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the City is presenting information for those years for which information is available.

City of Plattsburgh

SCHEDULE OF THE CITY'S CONTRIBUTIONS
Year Ended December 31, 2021

NYSPPRS Pension Plan
 Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,566,308	\$ 1,331,867	\$ 1,519,740	\$ 1,289,550	\$ 1,421,943	\$ 1,387,189	\$ 1,624,997	\$ 1,430,757	\$ 1,697,869	\$ 1,455,711
Contributions in relation to the contractually required contribution	\$ 1,566,308	\$ 1,331,867	\$ 1,519,740	\$ 1,289,550	\$ 1,421,943	\$ 1,387,189	\$ 1,624,997	\$ 1,430,757	\$ 1,697,869	\$ 1,455,711
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered employee payroll	\$ 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	24.1%	20.9%	22.0%	18.8%	25.7%	24.1%	24.6%			

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the City is presenting information for those years for which information is available.

CITY OF PLATTSBURGH

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Service Cost	\$ 1,690,766	\$ 1,645,489	\$ 1,626,885	\$ 1,783,951
Interest	3,979,043	4,079,231	6,242,084	5,937,823
Changes in benefit terms	(23,052)	(3,107,122)	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	14,176,285	6,907,552	(51,709,706)	258,117
Changes of assumption or other inputs	9,301,832	12,507,441	33,982,045	(9,568,143)
Benefit payments	<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	23,816,840	17,229,690	(14,786,775)	(6,310,047)
Total OPEB liability - beginning	<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>\$ 192,539,632</u>	<u>\$ 168,722,792</u>	<u>\$ 151,493,102</u>	<u>\$ 166,279,877</u>
Covered payroll	<u>\$ 14,938,209</u>	<u>\$ 14,441,424</u>	<u>\$ 15,580,884</u>	<u>\$ 15,094,830</u>
Total OPEB liability as a percentage of covered payroll	1288.91%	1168.33%	972.30%	1101.57%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Changes of assumptions and other inputs reflect the change in the discount rate from 2.41% to 2.19% at the current measurement date.

CITY OF PLATTSBURGH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditure
Federal Highway Administration New York State Department of Transportation - Highway Planning and Construction Saranac River Trail	20.205	DO34636	\$ 1,444,400
Department of Housing and Urban Development Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	99,500
U.S. Department of Justice Equitable Sharing Program	16.922	N/A	87,029
Total expenditures of federal awards			\$ 1,630,929

CITY OF PLATTSBURGH

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS December 31, 2021

Note 1. Basis of Presentation

The accompanying schedule of federal financial assistance includes the federal grant activity of the City of Plattsburgh, New York and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Plattsburgh, New York, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Plattsburgh, New York.

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 City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniforms Guidance applied to overall expenditures.

Under the City's revolving loan program, repayments to the City are considered program revenues and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$99,500 and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$223,826.

CITY OF PLATTSBURGH

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

Year Ended December 31, 2021

Program Title	NYSDOT Contract/ Ref. Number	
Consolidated Local Streets and Highway Improvement Program (CHIPS)		
2021 Equipment Purchases	712044	\$ 367,104
2021 General Street Resurfacing	712044	232,207
2021 General Street Resurfacing - Touring Routes	712044	<u>731,987</u>
Total expenditures of state transportation assistance awards		<u><u>\$ 1,331,298</u></u>

CITY OF PLATTSBURGH

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
December 31, 2021

BASIS OF PRESENTATION

The accompanying schedule of State Transportation Assistance Expended of City of Plattsburgh 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.

Compliance Section

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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

To the Mayor and Common Council
City of 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, the business-type activities, each major fund and the aggregate remaining fund information of City of Plattsburgh, New York as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Plattsburgh's basic financial statements and have issued our report thereon dated July 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Plattsburgh, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 2021-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Plattsburgh, New York's financial statements are free of 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 statement. 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.

Boulrice & Wood CPAs, PC

July 14, 2022

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Plattsburgh, New York's compliance with the types of compliance requirements described in OMB *Compliance Supplement* that could have a direct and material effect on City of Plattsburgh, New York's major federal programs for the year ended December 31, 2021. City of Plattsburgh'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, 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, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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 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 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 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 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 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 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.

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.

Boulrice & Wood CPAs, PC

Boulrice, & Wood, CPA's PC
July 14, 2022

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Compliance

We have audited the compliance of City of Plattsburgh, New York with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended December 31, 2021. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of City of Plattsburgh, New York's management. Our responsibility is to express an opinion on City of Plattsburgh, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about the City of Plattsburgh, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Plattsburgh, New York's compliance with those requirements.

In our opinion, City of Plattsburgh, New York complied in all material respects with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended December 31, 2021.

Internal Control Over Compliance

The management of City of Plattsburgh, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state transportation assistance programs tested. In planning and performing our audit, we considered City of Plattsburgh, New York's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants, that would be material in relation to state transportation assistance programs tested, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of State Transportation Assistance Expended

We have audited the financial statements of City of Plattsburgh, New York as of December 31, 2021 and for the year then ended and have issued our report thereon dated July 14, 2021. Our audit was performed for the purpose of forming an opinion on City of Plattsburgh, New York's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NCRR, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of City of Plattsburgh, New York's management and the New York State Department of Transportation. However, this report is a matter of public record and its distribution is not limited.

Boulrice & Wood CPAs, PC
July 14, 2021

**CITY OF PLATTSBURGH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) yes no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk Auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

**CITY OF PLATTSBURGH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Department of Transportation awards

Internal control over state transportation assistance expended:

- Material weakness(es) identified? _____ yes X no

- Significant deficiency(ies) identified that are not
 considered to be a material weakness(es)? _____ yes X none reported

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

Any audit findings disclosed that are required
to be reported. _____ yes X no

Identification of State Transportation Assistance Program Tested;

Name

CHIPS 2021 Equipment Purchases
CHIPS 2021 General Street Resurfacing
CHIPS 2021 General Street Resurfacing - Touring Routes

CITY OF PLATTSBURGH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021
(Continued)

SECTION II - FINANCIAL STATEMENTS

2021-001 Budget Adjustments and Amendments

Condition: Within the General Fund appropriation expense exceeds budgeted amounts on three line items. Within the Special Revenue Fund, appropriation expense exceeds budgeted amounts on one line item.

Effect: Expenditures exceeded amounts budgeted.

Cause: Budget Status Reports were monitored; however sufficient final budget adjustments or amendments were not made as part of the closing process before year-end 2021.

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

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 and the City Chamberlain perform a closing budget entry before year-end.

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.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – STATE TRANSPORTATION ASSISTANCE EXPENDED FINDING AND QUESTIONED COSTS

None