

CITY OF PLATTSBURGH

FINANCIAL REPORT

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Plattsburgh, New York as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 16), budgetary comparison information (pages 27 through 29) and Schedule of Changes in the City's Total OPEB Liability and Related Ratios (page 70) 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 66-69) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2020, 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

November 4, 2020

The City of Plattsburgh offers this discussion and analysis in conjunction with the audit of financial statements for the fiscal year ended December 31, 2019.

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

1. FINANCIAL HIGHLIGHTS

Total liabilities of the City exceeded total assets by \$32,355. The net position of business-type activities was \$11,408 and net position of governmental activities was \$(43,763).

For the year, total revenues for the City were \$57,363 while total expenses were \$45,624. The net of the revenues and expenses leaves the City with a net profit of \$11,739.

At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$18,485, an increase of \$3,294 from the prior year.

At the end of the year, total unassigned fund balance for the general fund was \$2,189, up \$1,363 from the prior year.

Total outstanding long-term indebtedness for the City at the end of the year was \$21,848 down from \$24,880 at the end of 2018.

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, 2019, the City of Plattsburgh's liabilities exceeded assets by \$32,355.

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.

	Governmental activities		Business-type activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 19,918	\$ 17,909	\$ 5,596	\$ 6,370	\$ 25,514	\$ 24,279
Noncurrent Assets	103,311	103,569	32,721	33,923	136,032	137,492
Total Assets	123,229	121,478	38,317	40,293	161,546	161,771
Deferred Outflows of Resources						
Pensions	4,087	7,013	507	980	4,594	7,993
Other post employment benefits	19,565	1,125	1,858	215	21,423	1,340
Defeasement loss	77	-	-	-	77	-
Total Deferred Outflows of resources	23,729	8,138	2,365	1,195	26,094	9,333
Total assets and deferred outflow of resources	\$ 146,958	\$ 129,616	\$ 40,682	\$ 41,488	\$ 187,640	\$ 171,104
Current Liabilities	\$ 3,370	\$ 4,977	\$ 3,222	\$ 3,190	\$ 6,592	\$ 8,167
Noncurrent Liabilities	156,201	169,066	22,931	25,481	179,132	194,547
Total Liabilities	159,571	174,043	26,153	28,671	185,724	202,714
Deferred Inflows of Resources	2	2	-	-	2	2
Pensions	1,667	5,903	220	908	1,887	6,811
Other post employment benefits	29,481	5,184	2,901	487	32,382	5,671
Total Deferred Inflows of resources	31,150	11,089	3,121	1,395	34,271	12,484
Net Position:						
Net investment in capital assets	87,767	85,914	26,418	26,699	114,185	112,613
Restricted	10,882	10,814	2,055	2,781	12,937	13,595
Unrestricted	(142,412)	(152,244)	(17,065)	(18,058)	(159,477)	(170,302)
Total Net Position	(43,763)	(55,516)	11,408	11,422	(32,355)	(44,094)
Total Liabilities and Net Position	\$ 146,958	\$ 129,616	\$ 40,682	\$ 41,488	\$ 187,640	\$ 171,104

An additional portion of the City's total assets, \$12,937, 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, 2019 was \$(43,763). The majority of the net position, \$87,767, is tied up in net investment of capital assets.

Restricted assets for the end of the year were \$10,882. Restricted assets include, but are not limited to: capital reserves, debt reserves, water and sewer capital reserves, and asset forfeitures. The restricted assets were lower at the end of the year due to the use of water reserves and sewer reserves.

Unrestricted assets at year-end for governmental activities were negative \$142,412, an increase of \$68 from the prior year.

- **Business-type activities**

The total net position of our business-type activities was \$11,408 at year-end. Like the governmental-type activities, capital assets net of related debt were \$26,418 and made up the majority of the net position.

Restricted assets at year-end were \$2,055 and were primarily made up of the capital projects reserve \$92, debt reserve \$276 and other reserves \$1,687. Unrestricted net position was \$(17,065).

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on pages 18-19. 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	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services	\$ 11,020	\$ 10,352	\$20,506	\$21,679	\$ 31,526	\$ 32,031
Operating Grants and contributions	41	74	-	-	41	74
Capital Grants and contributions	2,623	583	-	-	2,623	583
General revenues:						
Property Taxes	11,764	11,543	-	-	11,764	11,543
Sales and Other Taxes	4,690	4,572	-	-	4,690	4,572
Government Aid	3,228	3,560	-	-	3,228	3,560
Other	3,147	3,140	344	422	3,491	3,562
Total Revenues	36,513	33,824	20,850	22,101	57,363	55,925
Expenses						
General Government	3,296	3,392	-	-	3,296	3,392
Public Safety	7,757	8,355	-	-	7,757	8,355
Transportation	2,365	2,507	-	-	2,365	2,507
Economic assistance & opportunity	610	533	-	-	610	533
Culture and recreation	1,956	1,805	-	-	1,956	1,805
Home and community	7,733	8,362	-	-	7,733	8,362
Employee Benefits	3,172	(855)	-	-	3,172	(855)
Debt Service	364	500	218	298	582	798
Municipal Lighting	-	-	18,153	18,815	18,153	18,815
Total Expenses	27,253	24,599	18,371	19,113	45,624	43,712
Excess of revenues over expenses	9,260	9,225	2,479	2,988	11,739	12,213
Transfers	2,493	653	(2,493)	(653)	-	-
Increase (decrease) in Net Position	11,753	9,878	(14)	2,335	11,739	12,213
Net Position - beginning	(55,516)	85,610	11,422	28,216	(44,094)	113,826
Prior period adjustment	-	(151,004)	-	(19,129)	-	(170,133)
Net Position - ending	\$ (43,763)	\$ (55,516)	\$11,408	\$11,422	\$ (32,355)	\$ (44,094)

The City's total revenues for the 2019 year were \$57,363 versus total expenses of \$45,624. For the year, the City's net position increased by \$11,739 to bring total net position of the primary government of the City to \$(32,355). 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 \$36,513 while total expenses were \$27,253 which yielded an increase in net position of \$11,753. 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 32.2% of the total revenues while sales taxes were 12.8% of revenues. Revenues were up from the prior year by \$2,689.

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 \$4,297 (55.4%) and \$2,835 (36.5%), of the total for public safety of \$7,757, respectively.

Home and community total expenses for the year were \$7,733. Costs associated with operating the water fund were \$1,617 or 20.9% of the total while the sewer fund costs were \$3,454 or 44.7% of the total.

Business-type Activities

Revenues for the Municipal Lighting Department for the year were \$20,850, while total expenses for the operation were \$20,864. The resulting total net position for the business-type activities for the year decreased by \$14.

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 down by over \$1,173 or 5.4%.

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 2019, the total cost of purchased power decreased by \$662 or 3.5%.

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 \$2,189 and the total fund equity was \$3,532. 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, 2019, unassigned fund balances represent 9.71% of total fund expenditures (including transfers out), while total fund balance was 15.67% of the same amount. The total fund balance of the City's General Fund increased by \$1,903 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 \$824 is reserved for the repayment of debt. The decrease in total fund balance from year-to-year was \$153.
- 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 \$2,128.

- 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 \$12,001. Components of the December 31, 2019 fund balance are as follows:

	<u>2019</u>	<u>2018</u>
Nonspendable		
Prepays	\$ 178	\$ 188
Long-term loans & receivable	423	451
Restricted		
Capital reserve	5,753	7,707
Other restricted	1,854	1,862
Assigned		
Encumbrances	2	32
Unappropriated fund balance	3,851	2,618
Unassigned	<u>(60)</u>	<u>(67)</u>
Total Fund Balances	<u>\$ 12,001</u>	<u>\$ 12,791</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, 2019, fund balance was \$11,408, down \$14 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 2020 budget included a .84% property tax levy decrease including a 3.85% increase in the total assessed value of the City properties with a corresponding decrease of 4.52% 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 \$1,459 compared to an adopted budget with an excess of \$502.

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 2019, the General fund inter-fund transfers were as follows (in whole dollars):

Library Fund	\$ 751,458
Recreation Fund	623,157
Water Fund	-
Sewer Fund	-
Debt Service	1,843,176
Capital Projects Fund	106,691
	<u>\$ 3,324,482</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, 2019 amounted to \$136,032 (net of accumulated depreciation). The amount as of December 31, 2018 was \$137,492 or a decrease of \$1,460. 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 expenditures for governmental activities for the year were \$2,610.
- Depreciation expense for the year was \$4,708.
- MLD transferred \$1,840 of land to the City's governmental activities.

City of Plattsburgh Capital Assets
(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 22,755	\$ 20,906	\$ 704	\$ 1,851	\$ 23,459	\$ 22,757
Infrastructure	89,907	86,228	2,188	1,270	92,095	87,498
Buildings & Improvements	55,327	54,985	66,111	65,278	121,438	120,263
Machinery & Equipment	15,124	14,377	11,029	10,953	26,153	25,330
Construction in Progress	7,533	9,700	152	175	7,685	9,875
Total	190,646	186,196	80,184	79,527	270,830	265,723
Less: Acc. Depreciation	(87,335)	(82,627)	(47,463)	(45,604)	(134,798)	(128,231)
Net Capital Assets	\$ 103,311	\$ 103,569	\$ 32,721	\$ 33,923	\$ 136,032	\$ 137,492

Long-term Debt

For the year, total debt decreased by \$4,182 or 16.8% to \$20,698.

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 \$20.7 million outstanding general obligation long-term debt as well as 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 and that the plan the new administration has put in place for the beginning of 2019 can be a path to a stronger financial position.

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	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 14,885	\$ 17,655	\$ 5,813	\$ 7,225	\$ 20,698	\$ 24,880

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.

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) Improving 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 for the spring 2021.

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 Westelcom Park, now officially called the Betty Little Arts Park, have broken ground with all phases of construction currently scheduled for completion by the summer of 2021. Plans for a public riverwalk along the Durkee 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 the City expects construction on these to begin during the 2021 construction season.

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 is to be rehabilitated and multiple other improvements completed

to ready the site for the PFCM's 2021 season. Construction of these improvements will commence during the fall of 2020.

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 constituted a Local Development Corporation to more effectively perform economic development and market possible development at its Harborside, two available real properties, one residential and one commercial, City waterview property at the Old Base, and

220+/- acres of land it expects to successfully annex and bring inexpensive power near I87. The value of these properties should in aggregate add \$5 to \$10 million to city coffers and, upon development, perhaps \$100 million to the tax base, and potentially hundreds of jobs. The City has been mired in DRI-related economic development of late because it became a co-applicant in a high profile and politically charged development. It is the hope that the City leaves economic development to economic developers and instead renews its community development efforts to best lever its resources and bring properties to development with greater speed and fewer challenges.

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 25% 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 (Read;2020). 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 (READ;2020). 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, 2019

ASSETS	Governmental Activities	Business-type Activities	Total Primary Government	Lake City LDC	Total Reporting Unit
Current assets					
Cash and equivalents	\$ 5,273,771	\$ 283,357	\$ 5,557,128	\$ -	\$ 5,557,128
Restricted assets-cash and cash in time deposits	8,754,264	2,054,633	10,808,897	-	10,808,897
Taxes receivable, net of allowance of \$87,268	656,362	-	656,362	-	656,362
Other receivable	1,409,518	1,401,667	2,811,185	-	2,811,185
State and federal receivables	1,289,988	-	1,289,988	-	1,289,988
Economic development loans, net of allowance of \$128,365	688,679	-	688,679	-	688,679
Due from other governments	1,390,650	-	1,390,650	-	1,390,650
Internal balances	(226,917)	227,725	808	-	808
Inventories	-	1,476,789	1,476,789	-	1,476,789
Prepaid expenses	681,659	151,549	833,208	-	833,208
Total current assets	<u>19,917,974</u>	<u>5,595,720</u>	<u>25,513,694</u>	<u>-</u>	<u>25,513,694</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation	<u>103,311,019</u>	<u>32,721,359</u>	<u>136,032,378</u>	<u>-</u>	<u>136,032,378</u>
Total noncurrent assets	<u>103,311,019</u>	<u>32,721,359</u>	<u>136,032,378</u>	<u>-</u>	<u>136,032,378</u>
Total assets	<u>123,228,993</u>	<u>38,317,079</u>	<u>161,546,072</u>	<u>-</u>	<u>161,546,072</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension	4,087,472	506,976	4,594,448	-	4,594,448
Other post employment benefits	19,565,408	1,858,084	21,423,492	-	21,423,492
Defeasement loss	76,534	-	76,534	-	76,534
Total deferred outflows of resources	<u>23,729,414</u>	<u>2,365,060</u>	<u>26,094,474</u>	<u>-</u>	<u>26,094,474</u>
Total assets and deferred outflow of resources	<u>\$ 146,958,407</u>	<u>\$ 40,682,139</u>	<u>\$ 187,640,546</u>	<u>\$ -</u>	<u>\$ 187,640,546</u>

LIABILITIES

Current liabilities

Accounts payable	\$ 712,967	\$ 1,462,685	\$ 2,175,652	\$ -	\$ 2,175,652
Accrued liabilities	534,523	157,565	692,088	-	692,088
Due to other governments	215,245	-	215,245	-	215,245
Customer deposits	-	744,681	744,681	-	744,681
Bonds outstanding - current portion	1,907,666	857,334	2,765,000	-	2,765,000

Total current liabilities

	<u>3,370,401</u>	<u>3,222,265</u>	<u>6,592,666</u>	<u>-</u>	<u>6,592,666</u>
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Noncurrent liabilities

Bonds outstanding, less current portion	13,636,747	5,445,971	19,082,718	-	19,082,718
Compensated absences	3,279,319	578,747	3,858,066	-	3,858,066
Other post employment benefits	135,165,554	16,327,548	151,493,102	-	151,493,102
Net pension liability - proportionate share	4,119,757	578,727	4,698,484	-	4,698,484

Total noncurrent liabilities

	<u>156,201,377</u>	<u>22,930,993</u>	<u>179,132,370</u>	<u>-</u>	<u>179,132,370</u>
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Total liabilities

	<u>159,571,778</u>	<u>26,153,258</u>	<u>185,725,036</u>	<u>-</u>	<u>185,725,036</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	2,112	-	2,112	-	2,112
Pensions	1,666,574	219,681	1,886,255	-	1,886,255
Other post employment benefits	29,480,951	2,901,371	32,382,322	-	32,382,322
Total deferred inflows of resources	<u>31,149,637</u>	<u>3,121,052</u>	<u>34,270,689</u>	<u>-</u>	<u>34,270,689</u>

NET POSITION

Net investment in capital assets	87,766,606	26,418,054	114,184,660	-	114,184,660
Restricted	10,882,245	2,054,633	12,936,878	-	12,936,878
Unrestricted	(142,411,859)	(17,064,858)	(159,476,717)	-	(159,476,717)
Total net position	<u>(43,763,008)</u>	<u>11,407,829</u>	<u>(32,355,179)</u>	<u>-</u>	<u>(32,355,179)</u>

Total liabilities, deferred inflows and net position

	<u>\$ 146,958,407</u>	<u>\$ 40,682,139</u>	<u>\$ 187,640,546</u>	<u>\$ -</u>	<u>\$ 187,640,546</u>
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See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 3,296,014	\$ 246,288	\$ -	\$ -
Public safety	7,757,301	1,181,597	13,611	-
Transportation	2,365,078	7,059	-	1,934,015
Economic assistance and opportunity	610,290	57,168	21,500	-
Culture and recreation	1,955,429	623,124	5,670	98,968
Home and community services	7,732,847	8,904,312	-	590,450
Employee benefits	3,172,324	-	-	-
Debt service	364,068	-	-	-
Total governmental activities	<u>27,253,351</u>	<u>11,019,548</u>	<u>40,781</u>	<u>2,623,433</u>
Business-type activities:				
Municipal Lighting	18,371,202	20,505,825	-	-
Total business-type activities	<u>18,371,202</u>	<u>20,505,825</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 45,624,553</u>	<u>\$ 31,525,373</u>	<u>\$ 40,781</u>	<u>\$ 2,623,433</u>
Component units:				
Lake City LDC	12,348	-	-	-
Total component units	<u>\$ 12,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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

Prior period adjustment

Net assets, ending

See accompanying notes and independent auditor's report.

Exhibit B

Net (Expense) Revenue and Changes in Net Position

Primary Government		Total	Component Units	Total Reporting Unit
Governmental Activities	Business-type Activities			
\$ (3,049,726)	\$ -	\$ (3,049,726)	\$ -	\$ (3,049,726)
(6,562,093)	-	(6,562,093)	-	(6,562,093)
(424,004)	-	(424,004)	-	(424,004)
(531,622)	-	(531,622)	-	(531,622)
(1,227,667)	-	(1,227,667)	-	(1,227,667)
1,761,915	-	1,761,915	-	1,761,915
(3,172,324)	-	(3,172,324)	-	(3,172,324)
(364,068)	-	(364,068)	-	(364,068)
<u>(13,569,589)</u>	<u>-</u>	<u>(13,569,589)</u>	<u>-</u>	<u>(13,569,589)</u>
-	2,134,623	2,134,623	-	2,134,623
-	2,134,623	2,134,623	-	2,134,623
<u>(13,569,589)</u>	<u>2,134,623</u>	<u>(11,434,966)</u>	<u>-</u>	<u>(11,434,966)</u>
-	-	-	(12,348)	(12,348)
-	-	-	(12,348)	(12,348)
11,764,014	-	11,764,014	-	11,764,014
205,942	10,597	216,539	-	216,539
4,690,090	-	4,690,090	-	4,690,090
211,843	33,084	244,927	-	244,927
286,953	-	286,953	-	286,953
1,274,139	-	1,274,139	-	1,274,139
84,750	-	84,750	-	84,750
101,499	74,125	175,624	-	175,624
982,215	226,149	1,208,364	-	1,208,364
3,228,272	-	3,228,272	-	3,228,272
2,492,620	(2,492,620)	-	-	-
<u>25,322,337</u>	<u>(2,148,665)</u>	<u>23,173,672</u>	<u>-</u>	<u>23,173,672</u>
11,752,748	(14,042)	11,738,706	(12,348)	11,726,358
(55,515,756)	11,421,612	(44,094,144)	12,348	(44,081,796)
-	259	259	-	259
<u>\$ (43,763,008)</u>	<u>\$ 11,407,829</u>	<u>\$ (32,355,179)</u>	<u>\$ -</u>	<u>\$ (32,355,179)</u>

See accompanying notes and independent auditor's report.

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2019

ASSETS	General	Special Revenue	Capital Projects	Debt Service	Total
Cash and equivalents	\$ (271,051)	\$ 1,428,782	\$ 4,116,040	\$ -	\$ 5,273,771
Taxes receivable, net of allowance of \$87,268	656,362	-	-	-	656,362
Other receivable	193,808	1,042,378	173,332	-	1,409,518
State and federal receivables	1,273,549	16,439	-	-	1,289,988
Economic development loans, net of allowance of \$128,365	-	688,679	-	-	688,679
Due from other funds	2,364,215	2,251,732	-	-	4,615,947
Due from other governments	1,389,945	705	-	-	1,390,650
Restricted assets-cash and cash in time deposits	323,177	7,607,073	-	824,014	8,754,264
Prepaid expenses	503,527	178,132	-	-	681,659
Total assets	\$ 6,433,532	\$ 13,213,920	\$ 4,289,372	\$ 824,014	\$ 24,760,838
LIABILITIES					
Accounts payable	\$ 475,421	\$ 236,169	\$ 1,377	\$ -	\$ 712,967
Accrued liabilities	317,566	184,872	-	-	502,438
Due to other funds	1,893,102	789,749	2,160,013	-	4,842,864
Due to other governments	215,245	-	-	-	215,245
Total liabilities	2,901,334	1,210,790	2,161,390	-	6,273,514
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources	-	2,112	-	-	2,112
FUND BALANCES					
Nonspendable:					
Prepays	503,527	178,132	-	-	681,659
Long term loans & receivable	73,583	422,904	-	-	496,487
Restricted:					
Capital projects	-	5,752,551	2,127,982	-	7,880,533
Retirement of LTD	-	166,312	-	824,014	990,326
Aerial fire equip reserve	114,323	-	-	-	114,323
Asset seizure reserve	208,853	-	-	-	208,853
Other restricted	-	1,688,210	-	-	1,688,210
Assigned:					
Encumbrances (Note 14)	443,363	1,680	-	-	445,043
Appropriated fund balance					
Designated for subsequent year's expenditures	-	-	-	-	-
Unappropriated fund balance	-	3,851,594	-	-	3,851,594
Unassigned	2,188,549	(60,365)	-	-	2,128,184
Total fund balances	3,532,198	12,001,018	2,127,982	824,014	18,485,212
Total liabilities, deferred inflows and fund balances	\$ 6,433,532	\$ 13,213,920	\$ 4,289,372	\$ 824,014	\$ 24,760,838

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, 2019

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

Total fund balance - governmental funds	\$ 18,485,212
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	103,311,019
Deferred outflows:	
Pensions	4,087,472
Other post employment benefits	19,565,408
Defeasement loss	76,534
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	(14,884,595)
Bond premium	(659,818)
Compensated absences	(3,279,319)
Other post employment benefits	(135,165,554)
Net pension liability	(4,119,757)
Accrued bond interest is reflected in the statement of net position but not in the governmental funds.	(32,085)
Deferred inflows:	
Pensions	(1,666,574)
Other post employment benefits	(29,480,951)
Net position of governmental activities	<u>\$ (43,763,008)</u>

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019**

	General	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
Revenues					
Real property taxes	\$ 11,679,004	\$ 85,010	\$ -	\$ -	\$ 11,764,014
Real property tax items	205,942	-	-	-	205,942
Non-property tax items	4,690,090	-	-	-	4,690,090
Departmental income	1,998,312	8,844,895	-	-	10,843,207
Intergovernmental charges	-	1,274,139	-	-	1,274,139
Use of money and property	37,523	171,509	24,358	12,347	245,737
Licenses and permits	176,341	1,850	-	-	178,191
Fines and forfeitures	285,103	-	-	-	285,103
Sales of property & compensation for loss	71,634	17,219	-	-	88,853
Miscellaneous local sources	67,970	17,032	-	-	85,002
Interfund	867,867	114,348	-	-	982,215
State aid	3,165,378	161,862	1,934,015	-	5,261,255
Federal aid	13,611	5,670	590,450	-	609,731
Total revenues	23,258,775	10,693,534	2,548,823	12,347	36,513,479
Expenditures					
General governmental support	1,875,403	558,296	-	107,341	2,541,040
Public safety	7,471,444	-	-	-	7,471,444
Transportation	1,139,253	70,104	1,447,454	-	2,656,811
Economic assistance and opportunity	606,323	-	-	-	606,323
Culture and recreation	191,498	1,473,619	112,350	-	1,777,467
Home and community services	494,965	5,175,805	895,145	-	6,565,915
Employee benefits	7,438,788	2,259,826	-	-	9,698,614
Debt service	-	-	-	2,662,111	2,662,111
Total expenditures	19,217,674	9,537,650	2,454,949	2,769,452	33,979,725
Excess (deficit) of revenues over (under) expenditures	4,041,101	1,155,884	93,874	(2,757,105)	2,533,754
Other financing sources (uses)					
Operating transfers in	1,186,106	1,374,615	2,240,950	2,496,532	7,298,203
Operating transfers out	(3,324,482)	(3,320,724)	-	-	(6,645,206)
Proceeds of refunding bonds	-	-	-	6,076,701	6,076,701
Payment to bond escrow agent	-	-	-	(6,657,347)	(6,657,347)
Bond premium received	-	-	-	687,987	687,987
Total other financing sources (uses)	(2,138,376)	(1,946,109)	2,240,950	2,603,873	760,338
Net change in fund balances	1,902,725	(790,225)	2,334,824	(153,232)	3,294,092
Fund Balances, Beginning of Year	1,629,473	12,791,243	(206,842)	977,246	15,191,120
Fund Balances, End of Year	\$ 3,532,198	\$ 12,001,018	\$ 2,127,982	\$ 824,014	\$ 18,485,212

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, 2019**

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

Net change in fund balances - total governmental funds \$ 3,294,092

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	2,610,208
Depreciation expense	(4,708,167)

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	2,268,303
Bond premium received	(687,987)
Amortization of bond premium	28,169
Bond defeasement	580,646
Amortization of defeasement loss	(1,813)

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 earned exceeded the amount used during the year	(56,443)
Other post employment benefits used exceeded the amount earned during the year	6,921,863
Accrued bond interest	3,384

Contribution of Land from Enterprise fund (MLD) is not reported on Governmental funds, but is revenue on the Statement of Activities. 1,839,623

(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	(339,130)
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Change in net position of governmental activities	\$ 11,752,748
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CITY OF PLATTSBURGH

Exhibit E

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 December 31, 2019

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total Special Revenue
ASSETS							
Cash	\$ 387,920	\$ 51,648	\$ (34,308)	\$ 119,547	\$ 572,046	\$ 331,929	\$ 1,428,782
Other receivables	2,112	5,432	10,005	315,065	709,356	408	1,042,378
Prepaid expenses	-	1,102	19,122	51,424	89,454	17,030	178,132
Economic development loans, net of allowance of \$128,365	688,679	-	-	-	-	-	688,679
Due from other funds	-	543,988	-	5,263	1,702,481	-	2,251,732
Due from other governments	-	-	-	-	-	705	705
Restricted assets - cash	1,688,210	-	-	187,734	5,645,867	85,262	7,607,073
State & federal receivables	1,152	15,287	-	-	-	-	16,439
Total assets	\$ 2,768,073	\$ 617,457	\$ (5,181)	\$ 679,033	\$ 8,719,204	\$ 435,334	\$ 13,213,920
LIABILITIES							
Accounts payable	\$ 4,721	\$ 8,318	\$ 13,386	\$ 56,748	\$ 129,585	\$ 23,411	\$ 236,169
Accrued liabilities	-	1,909	22,676	56,711	76,531	27,045	184,872
Due to other funds	-	500,000	-	145,593	144,156	-	789,749
Total liabilities	4,721	510,227	36,062	259,052	350,272	50,456	1,210,790
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources	2,112	-	-	-	-	-	2,112
FUND BALANCES							
Nonspendable:							
Prepays	-	1,102	19,122	51,424	89,454	17,030	178,132
Long term loans & receivable	422,904	-	-	-	-	-	422,904
Restricted:							
Capital reserve	-	-	-	21,422	5,645,867	85,262	5,752,551
Retirement of LTD	-	-	-	166,312	-	-	166,312
Other restricted	1,688,210	-	-	-	-	-	1,688,210
Assigned:							
Encumbrances (Note 15)	-	-	-	1,680	-	-	1,680
Unappropriated fund balance	650,126	106,128	-	179,143	2,633,611	282,586	3,851,594
Unassigned	-	-	(60,365)	-	-	-	(60,365)
Total fund balances	2,761,240	107,230	(41,243)	419,981	8,368,932	384,878	12,001,018
Total liabilities and fund balances	\$ 2,768,073	\$ 617,457	\$ (5,181)	\$ 679,033	\$ 8,719,204	\$ 435,334	\$ 13,213,920

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, 2019**

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total Special Revenue
Revenues							
Real property taxes	\$ -	\$ 85,010	\$ -	\$ -	\$ -	\$ -	\$ 85,010
Departmental income	57,168	-	615,144	2,934,632	5,229,971	7,980	8,844,895
Intergovernmental charges	-	-	-	256,823	1,017,316	-	1,274,139
Use of money and property	46,086	16,058	3,371	2,997	96,982	6,015	171,509
Licenses and permits	-	1,850	-	-	-	-	1,850
Sales of property and compensation for loss	-	-	-	-	8,699	8,520	17,219
Miscellaneous local sources	-	-	(4,103)	1,048	-	20,087	17,032
Interfund Revenues	-	-	-	87,632	26,716	-	114,348
State aid	47,607	15,287	-	-	-	98,968	161,862
Federal aid	-	-	-	-	-	5,670	5,670
Total revenues	150,861	118,205	614,412	3,283,132	6,379,684	147,240	10,693,534
Expenditures							
General governmental support	-	15,691	38,296	354,096	147,111	3,102	558,296
Transportation	-	70,104	-	-	-	-	70,104
Culture and recreation	-	-	831,480	-	-	642,139	1,473,619
Home and community services	105,357	-	-	1,616,727	3,453,721	-	5,175,805
Employee benefits	-	17,547	117,374	749,590	1,140,198	235,117	2,259,826
Total expenditures	105,357	103,342	987,150	2,720,413	4,741,030	880,358	9,537,650
Excess (deficit) of revenues over (under) expenditures	45,504	14,863	(372,738)	562,719	1,638,654	(733,118)	1,155,884
Other financing sources (uses)							
Operating transfers in	-	-	623,157	-	-	751,458	1,374,615
Operating transfers out	-	(1,692)	(244,040)	(1,226,581)	(1,842,137)	(6,274)	(3,320,724)
Total other financing sources (uses)	-	(1,692)	379,117	(1,226,581)	(1,842,137)	745,184	(1,946,109)
Net change in fund balances	\$ 45,504	\$ 13,171	\$ 6,379	\$ (663,862)	\$ (203,483)	\$ 12,066	\$ (790,225)

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, 2019

	<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	\$ 11,665,128	\$ 11,665,128	\$ 11,679,004	\$ 13,876
Real property tax items	212,144	232,144	205,942	(26,202)
Non-property tax items	4,442,366	4,442,366	4,690,090	247,724
Departmental income	1,650,950	1,856,047	1,998,312	142,265
Use of money and property	12,905	36,905	37,523	618
Licenses and permits	116,320	177,320	176,341	(979)
Fines and forfeitures	383,000	388,050	285,103	(102,947)
Sales of property and compensation for loss	42,000	62,666	71,634	8,968
Miscellaneous local sources	147,800	152,800	67,970	(84,830)
Interfund	816,000	816,000	867,867	51,867
State aid	2,981,680	3,475,299	3,165,378	(309,921)
Federal aid	5,000	51,611	13,611	(38,000)
Total revenues	22,475,293	23,356,336	23,258,775	(97,561)
Expenditures				
General governmental support	2,242,084	1,803,489	1,934,503	(131,014)
Public safety	7,828,534	8,470,745	7,574,187	896,558
Transportation	1,237,073	1,323,681	1,139,253	184,428
Economic assistance and opportunity	323,622	931,370	885,811	45,559
Culture and recreation	214,545	226,345	191,498	34,847
Home and community services	582,229	581,080	496,997	84,083
Employee benefits	7,477,287	7,700,013	7,438,788	261,225
Total expenditures	19,905,374	21,036,723	19,661,037	1,375,686
Excess (deficit) of revenues over (under) expenditures	2,569,919	2,319,613	3,597,738	1,278,125
Other financing sources (uses)				
Operating transfers in	1,204,769	1,185,984	1,186,106	122
Operating transfers out	(3,272,772)	(3,379,463)	(3,324,482)	54,981
Total other financing sources (uses)	(2,068,003)	(2,193,479)	(2,138,376)	55,103
Net Change in Fund Balance	\$ 501,916	\$ 126,134	\$ 1,459,362	\$ 1,333,228

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, 2019**

	<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	8,801,448	8,818,791	8,787,727	(31,064)
Intergovernmental charges	1,099,000	1,099,000	1,274,139	175,139
Use of money and property	42,550	42,550	125,423	82,873
Licenses and permits	-	-	1,850	1,850
Sales of property and compensation for loss	10,300	10,300	17,219	6,919
Miscellaneous local sources	25,180	25,180	17,032	(8,148)
Interfund revenues	109,725	109,725	114,348	4,623
State aid	107,260	107,260	114,255	6,995
Federal aid	4,311	4,311	5,670	1,359
Total revenues	10,284,784	10,302,127	10,542,673	240,546
Expenditures				
General governmental support	546,558	577,328	558,296	19,032
Transportation	80,783	81,412	70,104	11,308
Culture and recreation	1,502,471	1,503,826	1,473,619	30,207
Home and community services	5,980,460	6,052,676	5,072,128	980,548
Employee benefits	2,323,552	2,335,978	2,259,826	76,152
Total expenditures	10,433,824	10,551,220	9,433,973	1,117,247
Excess (deficit) of revenues over (under) expenditures	(149,040)	(249,093)	1,108,700	1,357,793
Other financing sources (uses)				
Operating transfers in	1,374,615	1,374,615	1,374,615	-
Operating transfers out	(1,225,575)	(1,206,971)	(3,320,724)	(2,113,753)
Total other financing sources (uses)	149,040	167,644	(1,946,109)	(2,113,753)
Net Change in Fund Balance	\$ -	\$ (81,449)	\$ (837,409)	\$ (755,960)

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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Use of money and property	\$ -	\$ 6,032	\$ 12,347	\$ 6,315
Total revenues	<u>-</u>	<u>6,032</u>	<u>12,347</u>	<u>6,315</u>
Expenditures				
Debt service (principal and interest)	<u>2,709,787</u>	<u>2,668,143</u>	<u>2,662,111</u>	<u>6,032</u>
Total expenditures	<u>2,709,787</u>	<u>2,668,143</u>	<u>2,662,111</u>	<u>6,032</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,709,787)</u>	<u>(2,662,111)</u>	<u>(2,649,764)</u>	<u>12,347</u>
Other financing sources (uses)				
Operating transfers in	<u>2,550,460</u>	<u>2,502,565</u>	<u>2,496,532</u>	<u>(6,033)</u>
Total other financing sources (uses)	<u>2,550,460</u>	<u>2,502,565</u>	<u>2,496,532</u>	<u>(6,033)</u>
Net Change in Fund Balance	<u>\$ (159,327)</u>	<u>\$ (159,546)</u>	<u>\$ (153,232)</u>	<u>\$ 6,314</u>

See accompanying notes and independent auditor's report.

STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2019

	2019
ASSETS	
Cash and equivalents	\$ 283,357
Accounts receivable, net of allowance of \$65,000	1,401,667
Inventories	1,476,789
Prepaid expenses	151,549
Restricted assets-cash and cash in time deposits	2,054,633
Due from other funds	234,573
Fixed assets, net of accumulated depreciation	32,721,359
Total assets	38,323,927
DEFERRED OUTFLOWS OF RESOURCES	
Pension	506,976
Other post employment benefits	1,858,084
Total deferred outflows of resources	2,365,060
Total assets and deferred outflows of resources	\$ 40,688,987
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,462,685
Accrued liabilities	157,565
Due to other funds	6,848
Customer deposits	744,681
Bonds payable, current portion	857,334
Total current liabilities	3,229,113
Non-current liabilities:	
Compensated absences	578,747
Other post employment benefits	16,327,548
Bonds payable	5,445,971
Net pension liability- proportionate share	578,727
Total non-current liabilities	22,930,993
Total liabilities	26,160,106
DEFERRED INFLOWS OF RESOURCES	
Other post employment benefits	2,901,371
Pensions	219,681
Total deferred inflows of resources	3,121,052
NET POSITION	
Net investment in capital assets	26,418,054
Restricted for capital projects	91,515
Restricted for debt service	276,168
Restricted for other purposes	1,686,950
Unrestricted	(17,064,858)
Total net position	11,407,829
Total liabilities, deferred inflows and net position	\$ 40,688,987

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

Exhibit K

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUND
Year ended December 31, 2019**

	<u>2019</u>
Charges for services:	
Municipal charges	\$ 20,505,825
Interfund charges	226,149
Miscellaneous income	<u>74,125</u>
Total charges for services	<u>20,806,099</u>
Operating expenses:	
Salaries and wages	1,857,551
Fringe benefits	304,466
Electric and power	13,640,908
Real property taxes	73,156
Bad debts	37,249
Depreciation	<u>2,239,469</u>
Total operating expenses	<u>18,152,799</u>
Net operating income	<u>2,653,300</u>
Nonoperating income (expenses)	
Payments in lieu of taxes	10,597
Use of money and property	33,084
Interest expense	<u>(218,403)</u>
Total nonoperating income (expense)	<u>(174,722)</u>
Change in net position before transfers	<u>2,478,578</u>
Transfers	
Payments in lieu of taxes	(426,848)
Contributions to municipality - cash	(226,149)
Contributions to municipality - land	<u>(1,839,623)</u>
Total transfers	<u>(2,492,620)</u>
Change in net position	(14,042)
Net position and required reserves, January 1	11,421,612
Prior period adjustment	<u>259</u>
Net position and required reserves, December 31	<u>\$ 11,407,829</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

Exhibit L

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2019

	<u>2019</u>
Net cash provided (used) by operating activities	
Cash received from customers	\$ 20,932,063
Cash paid to suppliers and other vendors	(14,623,632)
Cash paid for salaries and employee benefits	(3,282,240)
Other revenue	397,137
Net cash provided by operating activities	<u>3,423,328</u>
Net cash provided (used) by non-capital and financing activities	
Real property taxes	(73,156)
Payments in lieu of taxes	10,597
Net cash used by non-capital and financing activities	<u>(62,559)</u>
Net cash provided (used) by investing activities	
Purchase of investments	726,724
Interest income	24,844
Net cash provided by investing activities	<u>751,568</u>
Net cash provided (used) by capital and related financing activities	
Principal payments on debt	(904,575)
Interest expense on debt	(235,326)
Payments to contractors	(2,876,822)
Net cash used by capital and related financing activities	<u>(4,016,723)</u>
Net increase in cash and cash equivalents	95,614
Cash and cash equivalents, beginning of year	<u>187,743</u>
Cash and cash equivalents, end of year	<u>\$ 283,357</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ 2,653,300
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Contributions to municipality	(652,997)
Real property taxes	73,156
Rental of real property	8,240
GASB 68 pension adjustments	77,084
Other post employment benefits	(1,236,377)
Bad debts	37,249
Depreciation	2,239,469
(Increase) decrease in assets:	
Account receivable	200,089
Due from other funds	(93,714)
Inventories	(6,863)
Prepaid expenses	(770)
Increase (decrease) in liabilities:	
Accounts payable	(199,460)
Accrued liabilities	(35,688)
Due to other funds	6,768
Customer deposits	314,772
Compensated absences	39,070
Net cash provided by operating activities	<u>\$ 3,423,328</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH, NEW YORK

Exhibit M

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2019

<u>ASSETS</u>	<u>2019</u>
Restricted cash	<u>\$ 2,549,768</u>
Total assets	<u><u>\$ 2,549,768</u></u>
 <u>LIABILITIES</u>	
Due to other funds	\$ 808
Other liabilities	<u>2,548,960</u>
Total liabilities	<u>2,549,768</u>
 <u>NET POSITION</u>	
Trust	<u>-</u>
Total net position	<u>-</u>
Total liabilities and net position	<u><u>\$ 2,549,768</u></u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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, the following is a brief review of certain entities considered in determining the City of Plattsburgh reporting entity.

1. The Lake City Local Development Corporation (LCLDC) is related to the City of Plattsburgh and is a component unit under the criteria set forth in GASB Statement 61. The discrete component unit column in the Statement of Net Position and the Statement of Activities includes the financial data of the LDC. It is discretely presented in a separate column to emphasize that it is legally separate from the City. The Corporation provides administrative and technical support to potential employers of city residents.

The principal office of the Corporation is located at:

Community Development Office
Second Floor
City Hall
41 City Hall Place
Plattsburgh, NY 12901

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

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.

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

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)

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.

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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

FUND TYPES AND MAJOR FUNDS (continued)

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.

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 Trust and Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

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, 2019

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	\$ 23,258,775	\$ 10,542,673	\$ 12,347
Plus revenues from Special Revenue funds excluded in budget comparison	-	150,861	-
Revenues per Exhibit D	<u>\$ 23,258,775</u>	<u>\$ 10,693,534</u>	<u>\$ 12,347</u>
 Expenditures			
Expenditures included in budget comparison - Exhibits G, H, and I	\$ 19,661,037	\$ 9,433,973	\$ 2,662,111
Plus Expenditures from Special Revenue Funds excluded in budget comparison	-	105,357	-
Plus Expenditures for fiscal agent fees excluded in budget comparison	-	-	107,341
Less Encumbrances included in budget comparison	(443,363)	(1,680)	-
Expenditures per Exhibit D	<u>\$ 19,217,674</u>	<u>\$ 9,537,650</u>	<u>\$ 2,769,452</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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	\$ 87,268	\$ -	\$ -
Special revenue	-	-	128,365
Enterprise	-	65,000	-
	\$ 87,268	\$ 65,000	\$ 128,365

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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 \$681,659 and long-term loans & receivables for \$496,487.

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, 2019 was \$208,853.

Aerial Fire Equipment Reserve - An amount reserved for the future purchase of, or payment on, an Aerial Fire Truck. Reserve balance at December 31, 2019 was \$114,323.

Retirement Reserve - An amount reserved for future retirement costs. Reserve balance at December 31, 2019 was \$0.

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, 2019 was \$5,645,867.

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, 2019 was \$21,422.

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, 2019 was \$85,262.

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, 2019 was \$824,014.

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, 2019 was \$276,168.

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, 2019 was \$91,515.

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, 2019.

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 \$443,363 and Special Revenue Fund amounted to \$1,680.

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, 2019

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, 2019

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 2019 amounted to \$342,248 for 7 individuals.

EVENTS OCCURRING AFTER THE REPORTING DATE

The City has evaluated events and transactions that occurred between December 31, 2019 and November 4, 2020, 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, 2019, the City implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.

GASB has issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.

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, 2019, is comprised as follows:

	Non-restricted Cash	Restricted Cash
Petty cash funds	\$ 8,425	\$ -
Non-interest bearing accounts	27,860	-
Interest bearing accounts	5,520,843	13,358,665
	<u>\$ 5,557,128</u>	<u>\$ 13,358,665</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 \$19,323,417 of which, \$500,000 was covered by Federal depository insurance and \$18,823,417 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, 2019 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, 2019

NOTE 2. CASH AND INVESTMENTS (continued)

Fund	Cash
General	\$ (277,726)
Water	307,231
Sewer	571,996
Library	331,729
Rec. Complex	(35,658)
Debt Service	824,014
Parking	51,648
	<u>\$ 1,773,234</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, 2019 was \$292,426 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, 2019 was \$57,847.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Interfund balances at December 31, 2019 were as follows:

	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
General	\$ 2,364,215	\$ 1,893,102	\$ 1,186,106	\$ 3,324,482
Special Revenue	2,251,732	789,749	1,374,615	3,320,724
Capital Projects	-	2,160,013	2,240,950	-
Debt Service	-	-	2,496,532	-
Trust & Agency	-	808	-	-
Enterprise Fund	234,573	6,848	-	652,997
Total	<u>\$ 4,850,520</u>	<u>\$ 4,850,520</u>	<u>\$ 7,298,203</u>	<u>\$ 7,298,203</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.

In addition, the Proprietary Fund (MLD) transferred land with a historical cost value of \$1,839,623, to the City and is reflected in the governmental activities.

NOTE 6. RESTRICTED CASH

Restricted cash consists of the following:

Fund	Restricted Cash Balance	Restriction
General	\$ 114,323	Fire equipment purchases
	208,854	Police equipment purchases
Total General	<u>\$ 323,177</u>	
Special Revenue	<u>\$ 7,607,073</u>	Water, Sewer and Library fund capital reserves
Debt Service	<u>\$ 824,014</u>	Bond Debt Reserve - Time Deposit
Enterprise	\$ 132	Bond Debt Reserve - Time Deposit
	112	Depreciation Reserve
	2,054,389	Other Deposits
Total Enterprise	<u>\$ 2,054,633</u>	
Trust & Agency	\$ 2,357,432	Escrow compost
	33,629	Clyde Lewis Park
	158,707	Other
Total Trust & Agency	<u>\$ 2,549,768</u>	

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 7. CAPITAL ASSETS

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

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Land	\$ 20,906,268	\$ 1,848,913	\$ -	\$ 22,755,181
Infrastructure	86,228,341	3,678,669	-	89,907,010
Buildings & improvements	54,985,031	341,711	-	55,326,742
Machinery and equipment	14,377,369	746,686	-	15,124,055
Construction in progress	9,699,658	2,454,952	4,621,099	7,533,511
Total	<u>186,196,667</u>	<u>\$ 9,070,931</u>	<u>\$ 4,621,099</u>	<u>190,646,499</u>
Less accumulated depreciation	<u>82,627,313</u>			<u>87,335,480</u>
	<u>\$ 103,569,354</u>			<u>\$ 103,311,019</u>

Depreciation was charged to governmental functions as follows:

	12/31/2019
General governmental support	\$ 754,974
Public safety	324,096
Transportation	1,155,221
Economic assistance and opportunity	3,967
Culture and recreation	295,509
Home and community services	2,174,400
	<u>\$ 4,708,167</u>

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

FIXED ASSETS				
DESCRIPTION	12/31/2018	ADDITIONS	DELETIONS	12/31/2019
Land	\$ 1,851,156	\$ 156,800	\$ 1,304,395	\$ 703,561
Buildings	1,270,650	1,863,806	946,353	2,188,103
Improvements	65,277,648	1,114,788	280,917	66,111,519
Machinery and equipment	10,952,948	157,549	81,507	11,028,990
Construction in progress	175,120	1,353,489	1,376,828	151,781
Total	<u>79,527,522</u>	<u>\$ 4,646,432</u>	<u>\$ 3,990,000</u>	<u>80,183,954</u>
Less accumulated depreciation	<u>45,604,152</u>			<u>47,462,595</u>
	<u>\$ 33,923,370</u>			<u>\$ 32,721,359</u>

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CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 8. BONDS

Changes in long-term debt for the year ended December 31, 2019 were as follows:

Governmental Activities:	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
General obligation bonds	\$ 17,655,197	\$ 6,076,701	\$ 8,847,303	\$ 14,884,595
Bond premium, net of amort	-	687,987	28,169	659,818
Net OPEB liabilities	147,944,037	-	12,778,483	135,165,554
Net pension liability	2,469,280	1,650,477	-	4,119,757
Compensated absences	3,222,876	56,443	-	3,279,319
	<u>\$ 171,291,390</u>	<u>\$ 8,471,608</u>	<u>\$ 21,653,955</u>	<u>\$ 158,109,043</u>

Business-type Activities:	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
General obligation bonds	\$ 7,224,803	\$ 4,623,299	\$ 6,035,575	\$ 5,812,527
Bond premium, net of amort	-	507,701	16,923	490,778
Net OPEB liabilities	18,335,840	-	2,008,292	16,327,548
Net pension liability	285,691	293,036	-	578,727
Compensated absences	539,677	39,070	-	578,747
	<u>\$ 26,386,011</u>	<u>\$ 5,463,106</u>	<u>\$ 8,060,790</u>	<u>\$ 23,788,327</u>

Total interest expenditures for the year ended December 31, 2019, were as follows:

	Governmental Activities	Business-type Activities
Interest paid	\$ 393,808	\$ 238,372
Reduction in accrued interest	(3,384)	(3,046)
Amortization - defeasement	1,813	-
Amortization - bond premium	(28,169)	(16,923)
Totals	<u>\$ 364,068</u>	<u>\$ 218,403</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 \$28,169 for the year ended December 31, 2019 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 \$16,923 for the year ended December 31, 2019 and is included in interest expense.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 8. BONDS (continued)

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

Year	Principal		Total Principal
	Governmental Activities	Business-type Activities	
2020	\$ 1,907,666	\$ 857,334	\$ 2,765,000
2021	1,821,612	633,388	2,455,000
2022	1,776,809	643,191	2,420,000
2023	1,823,354	646,646	2,470,000
2024	1,835,759	674,241	2,510,000
2025-2029	5,427,273	2,357,727	7,785,000
2030-2034	292,122	-	292,122
	<u>\$ 14,884,595</u>	<u>\$ 5,812,527</u>	<u>\$ 20,697,122</u>

Year	Interest		Total Interest
	Governmental Activities	Business-type Activities	
2020	\$ 463,302	\$ 241,415	\$ 704,717
2021	401,808	204,234	606,042
2022	344,605	176,176	520,781
2023	286,321	147,741	434,062
2024	226,204	118,620	344,824
2025-2029	388,866	244,841	633,707
2030-2034	8,850	-	8,850
	<u>\$ 2,119,956</u>	<u>\$ 1,133,027</u>	<u>\$ 3,252,983</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.

At December 31, 2019, there were no capital leases.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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 \$924,095 , interest variable at 2.25%-3.00%.	\$ 7,030,000
\$1,870,200, Public Improvement Refunding Serial Bonds, variable principal payments through 2026, interest variable at 2.25%-3.00%.	818,872
\$5,190,905 Refunding Serial Bonds of 2009 due in annual installments of \$81,900 through 2020, interest rate at 4.25%	81,900
\$1,101,701 Refunding Public Improvement Serial Bonds of 2019 due in annual installments of \$22,273 to \$215,280 through 2029, interest variable at 4.0% -5.0%	1,101,701
\$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%	4,412,122
\$2,369,771 NYS Environmental Facilities Bond of 2012, due in annual installments of \$135,000 to \$155,000 through 2029, interest variable at 1.745% to 3.468%	1,440,000
Total Governmental Activities	<u>14,884,595</u>

Business-type Activities

\$1,584,800 Public Improvement Refunding Serial Bonds of 2016, variable principal payments through 2024, interest at 3.00%.	971,128
\$2,444,095 Refunding Serial Bonds of 2009, due in annual installments of \$218,100 through 2020, interest at 4.25%	218,100
\$4,623,299 Refunding Public Improvement Serial Bonds of 2019 due in annual installments of \$438,393 to \$474,720 through 2029, interest variable at 4.0 % -5.0%	4,623,299
Total Business-type Activities	<u>5,812,527</u>
Total General Obligation Bonds	<u>\$ 20,697,122</u>

On August 8, 2019, \$10,700,000 in general obligation bonds with interest rates of 3.0% - 5.0% were issued to advance refund \$11,710,000 of outstanding bonds with interest rates varying between 2.0% and 3.75%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

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.

NOTE 9. DEFERRED INFLOWS OF RESOURCES

Special Revenue Fund - In the Community Development Fund, deferred inflows consist of loans currently outstanding to business and individuals which when repaid will be recognized as income. At December 31, 2019, this amount was \$2,112.

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, 2019, this amount was \$1,426.

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 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

NOTE 11. RETIREMENT BENEFITS (continued)

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, 2019

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, 2019

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	
2019	\$	1,112,298	\$	1,519,740
2018	\$	1,210,750	\$	1,289,550
2017	\$	1,288,179	\$	1,421,943

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, 2019 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, 2019 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	3/31/2019		3/31/2019	
Net Pension liability	\$	(2,149,005)	\$	(2,549,479)
City's portion of the Plan's total net pension liability		-0.0303305%		-0.1520204%
Change in proportion since prior measurement date	\$	(1,090,892)	\$	(852,621)

For the year ended December 31, 2019, the City's recognized pension expense of \$1,424,947 for ERS and \$1,590,372 for PFRS. At December 31, 2019 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, 2019

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	\$ 309,221	\$ 619,339	\$ 928,560	\$ 113,963	\$ 1,042,523
Changes of assumptions	394,704	926,294	1,320,998	145,468	1,466,466
Changes in proportion and differences between the City's contributions and proportionate share of contributions	62,053	26,507	88,560	22,869	111,429
City's contributions subsequent to the measurement date	609,549	1,139,805	1,749,354	224,675	1,974,029
Total	<u>\$ 1,375,527</u>	<u>\$ 2,711,945</u>	<u>\$ 4,087,472</u>	<u>\$ 506,975</u>	<u>\$ 4,594,447</u>
Deferred Inflows of Resources:					
Differences between expected and actual experience	\$ 105,410	\$ 272,199	\$ 377,609	\$ 38,849	\$ 416,458
Net difference between projected and actual investment earning on pension plan invest	403,020	510,598	913,618	148,533	1,062,151
Changes in proportion and differences between the City's contributions and proportionate share of contributions	87,639	287,708	375,347	32,299	407,646
Total	<u>\$ 596,069</u>	<u>\$ 1,070,505</u>	<u>\$ 1,666,574</u>	<u>\$ 219,681</u>	<u>\$ 1,886,255</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, 2019. 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>
2020	\$ 443,163	\$ 430,025
2021	(432,542)	(148,954)
2022	(45,514)	(61,061)
2023	267,421	250,618
2024	-	31,007
Total	<u>\$ 232,528</u>	<u>\$ 501,635</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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	3/31/2019	3/31/2019
Actuarial valuation date	4/1/2018	4/1/2018
Interest rate	7.0%	7.0%
Salary scale	4.2%	4.5%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.5%	2.5%

For ERS and PFRS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

For ERS and PFRS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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:

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 11. RETIREMENT BENEFITS (continued)

	Long-Term Expected Real Rate of Return
Measurement Date	3/31/2019
Asset Type:	%
Domestic equity	4.55
International equity	6.35
Private equity	7.50
Real estate	5.55
Absolute return strategies	3.75
Mortgages and bonds	1.31
Opportunistic portfolio	5.68
Real assets	5.29
Cash	-0.25
Inflation-indexed bonds	1.25

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% 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 7.0% 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 (6.0% for ERS and PFRS) or 1% higher (8.0% for ERS and PFRS) than the current rate:

ERS	1% Decrease	Current Assumption	1% Increase
	6.0%	7.0%	8.0%
Employer's proportionate share of the net pension asset (liability)	\$ (9,395,792)	\$ (2,149,005)	\$ 3,938,811
	1% Decrease	Current Assumption	1% Increase
	6.0%	7.0%	8.0%
Employer's proportionate share of the net pension asset (liability)	\$ (9,213,435)	\$ (2,549,479)	\$ 3,015,698

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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	\$ 189,803,429	\$ 34,128,100	\$ 223,931,529
Plan Net Position	182,718,124	32,451,037	215,169,161
Employers' net pension liability	<u>\$ 7,085,305</u>	<u>\$ 1,677,063</u>	<u>\$ 8,762,368</u>
Ratio of plan net position to the Employers' total pension liability	96.27%	95.09%	96.09%

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, 2019 represent the projected employer contribution for the period of April 1, 2019 through December 31, 2019 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of December 31, 2019 amounted to \$0. The ERS premium of \$1,112,298 was paid December 15, 2019, generating a prepaid expense of \$278,075 at December 31, 2019. The PFRS premium of \$1,519,740 was paid December 15, 2019, generating a prepaid expense of \$379,935 at December 31, 2019.

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, 2019

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

Employees Covered by Benefit Terms – At December 31, 2019, the following employees were covered by the benefit terms:

Active not eligible to retire	163
Actives eligible to retire	26
Inactive employees entitled to but not yet receiving benefit payments	-
Retired and surviving spouses	231
Retire spouses covered	<u>162</u>
	<u><u>582</u></u>

B. Total OPEB Liability

The City's total OPEB liability of \$151,493,102 was measured as of January 1, 2019, and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.22 percent
Salary Increases	3.22 percent
Discount Rate	2.75 percent
Healthcare Cost Trend Rate	5.2 percent for 2019, decreasing to a rate of 4.18 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-2018.

C. Changes in the Total OPEB Liability

Balance at December 31, 2018	<u>\$ 166,279,877</u>
<u>Changes for the Year-</u>	
Service Cost	1,626,885
Interest	6,242,084
Changes of benefit terms	-
Differences between expected and actual experience	(51,709,706)
Changes in assumptions or other inputs	33,982,045
Benefit payments	<u>(4,928,083)</u>
Net Changes	<u>(14,786,775)</u>
Balance at June 30, 2019	<u><u>\$ 151,493,102</u></u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

Changes of assumptions and other inputs reflect a change in the discount rate from 3.83% in 2018 to 2.75% in 2019.

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 (1.75 percent) or 1 percentage point higher (3.75 percent) than the current discount rate:

	1% Decrease 1.75%	Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	<u>\$ 180,411,566</u>	<u>\$ 151,493,102</u>	<u>\$ 129,076,124</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>\$ 126,982,402</u>	<u>\$ 151,493,102</u>	<u>\$ 183,222,375</u>

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$3,178,317. At December 31, 2019, 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	\$ 34,681	\$ (30,610,239)
Changes of assumptions or other inputs	20,143,552	(1,772,083)
Contributions subsequent to the measurement period	<u>1,245,559</u>	<u>-</u>
Total	<u>\$ 21,423,792</u>	<u>\$ (32,382,322)</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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>
2020	\$ (8,998,376)
2021	(3,205,713)
	<u>\$ (12,204,089)</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 \$240,781 based on gross revenue of \$4,815,620.

Note 14. ASSIGNED FUND BALANCE – ENCUMBRANCES

Assigned Fund Balance – Includes year end encumbrances as follows:

<u>December 31, 2019</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
General	\$ 59,100	\$ -	\$ 59,100
Public safety	102,743	-	102,743
Economic assistance and opportunity	279,488	-	279,488
Home & community services	2,032	1,680	3,712
	<u>\$ 443,363</u>	<u>\$ 1,680</u>	<u>\$ 445,043</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, 2019

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.

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 \$290,000 to \$1,005,000 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, 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 \$637,065.

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, 2019 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.

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 and which amount was received on May 8th, 2017, and will be applied to the debt service for the NYS EFC serial bonds issued in 2012 noted above.

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 have commenced and the financial outcome from those negotiations cannot be determined at this time.

The City's contract with Local 2421 of The International Association of Firefighters expired on December 31st, 2007, and has gone through impasse and reached interest arbitration of the mediation process in order to establish an agreement several times between the years 2008 and 2017. The contract was settled during 2018 establishing increases for the years 2014 through 2020, with retro-active payroll costs paid at the end of 2018 amounting to approximately \$435,000. There was an arbitration award handed down in May of 2017 for the years 2012 and 2013 of the open contract period for a 2% payroll increase per year, which was challenged by the City, and affirmed by the courts of New York State early in 2019 for the award to be followed as ordered by the arbitration panel.

The financial effect of those payroll changes from the retroactive payroll accumulations allowed under NYS Labor Law for payments to be made following 2018 is approximately \$607,000 in payroll cost. An accrual for the combined cost of the payroll and all related benefits was recognized at the end of 2017 for \$777,114 and increased at the end of 2018 to \$1,093,187 to recognize the City's total liability from this arbitration award for the years 2012 and 2013. The arbitration award for the years 2012 and 2013 was paid in 2019 for a total payroll cost plus interest of \$1,115,337. The fire union 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 commenced and have reached an impasse and are proceeding to interest arbitration from which the outcome cannot be determined at this time.

The City's contract with Local 1249 of the International Brotherhood of Electrical Workers, AFL-CIO, expired on June 30th, 2017, and was renewed through June 30th, 2022, with a maximum payroll increase per year of 1.5% provided the annualized CPI increase for the prior 12 month period is 1.5% or higher. If the CPI increase is lower than 1.5% for the prior 12 month period, then the payroll increase for the contract period

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 15. COMMITMENTS AND CONTINGENCIES (Continued)

will be the CPI percentage change for the previous 12 month period, unless the CPI percentage change is less than zero, then the payroll change will not be less than zero. The financial effect of those payroll changes from the retroactive payroll accumulations allowed under NYS Labor Law for payments to be made following 2018 is approximately \$69,000 in payroll cost.

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. Negotiations have commenced and the financial outcome from those negotiations cannot be determined at this time.

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, 2019:

PILOT Entity	Authority	Dated	Governing Law	Basis	Abatement	Amount Received
Saranac Power Partners	Clinton County & Town of Plattsburgh	12/1/2009	GML Article 18-a Chapter 1030 1969	PILOT Mortgage	\$ 390,502	\$7,280
Plattsburgh Housing Authority	State of New York Amended	4/17/1951 3/4/2010	Consolidated Laws Chapter 44-A	Income PILOT	309,346	82,360
Plattsburgh Municipal Lighting	NYSPSC		Order 06-E-1496	Valuation PILOT plus service payment for street lighting	428,563	660,432
2019 Total					<u>\$ 1,128,411</u>	<u>\$ 750,072</u>

The City received payment in Lieu of Tax (PILOT) payments totaling \$89,640.

NOTE 18. SUBSEQUENT EVENTS

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The City cannot reasonably estimate the length or severity of the pandemic, or the extent to which the disruption may materially impact its financial position, results of operations, or cash flows for fiscal 2020 and beyond.

Bond Issue

On October 29, 2020, the City issued \$6,488,519 of Public Improvement Serial Bonds to fund various capital expenditures. The bonds are paid over 10 years at interest rates between 1% - 2%.

Other Supplemental Information

City of Plattsburgh

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended December 31, 2019

NYSERS Pension Plan
 Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability	0.0303305%	0.0327848%	0.0311668%	0.0311625%	0.0309069%					
City's proportionate share of the net pension liability	\$ 2,149,005	\$ 1,058,113	\$ 2,928,503	\$ 5,001,661	\$ 1,044,110					
City's covered employee payroll	\$ 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	25.56%	12.19%	29.30%	51.89%	11.84%					
Plan fiduciary net position as a percentage of the total pension liability	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, 2019

NYSERS Pension Plan
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 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	\$ 1,112,298	\$ 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	\$ 8,408,105	\$ 8,679,482	\$ 9,995,629	\$ 9,639,080	\$ 8,818,736					
Contributions as a percentage of covered employee payroll	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, 2019

NYSPPFRS Pension Plan
 Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability	0.1520204%	0.1678800%	0.1700469%	0.1981158%	0.1815705%					
City's proportionate share of the net pension liability	\$ 2,549,479	\$ 1,696,858	\$ 3,524,479	\$ 5,865,786	\$ 499,790					
City's covered employee payroll	\$ 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	36.87%	24.77%	63.81%	101.83%	7.56%					
Plan fiduciary net position as a percentage of the total pension liability	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, 2019**

NYSPFRS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 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	\$ 1,519,740	\$ 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	\$ 6,914,715	\$ 6,850,120	\$ 5,523,240	\$ 5,760,314	\$ 6,607,279					
Contributions as a percentage of covered employee payroll	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, 2019**

	<u>2019</u>	<u>2018</u>
Measurement Date	January 1, 2019	January 1, 2018
Service Cost	\$ 1,626,885	\$ 1,783,951
Interest	6,242,084	5,937,823
Changes in benefit terms	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	(51,709,706)	258,117
Changes of assumption or other inputs	33,982,045	(9,568,143)
Benefit payments	<u>(4,928,083)</u>	<u>(4,721,795)</u>
Net change in total OPEB liability	(14,786,775)	(6,310,047)
Total OPEB liability - beginning	<u>166,279,877</u>	<u>172,589,924</u>
Total OPEB liability - Ending	<u>\$ 151,493,102</u>	<u>\$ 166,279,877</u>
Covered payroll	<u>\$ 15,580,884</u>	<u>\$ 15,094,830</u>
Total OPEB liability as a percentage of covered payroll	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.

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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of City of Plattsburgh, New York as of and for the year ended December 31, 2019, 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 November 4, 2020.

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. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

November 4, 2020

**CITY OF PLATTSBURGH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2019**

SECTION II - FINANCIAL STATEMENTS

None