

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 14, 2022

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York.) Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "Tax Matters". The Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

CITY OF PLATTSBURGH CLINTON COUNTY, NEW YORK (the "City")

\$2,706,397

BOND ANTICIPATION NOTES, 2022

Dated Date: March 15, 2022

Maturity Date: November 18, 2022

Security and Sources of Payment: The Notes will constitute general obligations of the City and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the City will be subject to the levy of ad valorem taxes, for such purpose, subject to applicable statutory limitations. See "Tax Levy Limitation Law" herein.

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

At the option of the purchaser(s), the Notes may either be registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Form and Denomination: The Notes to be issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee, which will act as the securities depository for the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Individual purchases of the Notes to be issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, which is or includes \$6,397. Noteholders will not receive certificates representing their ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the purchaser(s) will be payable at such bank of trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Proposals for the Notes will be received at 11:30 A.M. (Prevailing Time) on March 2, 2022 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or such other place as may be agreed upon with the purchaser(s) on or about March 15, 2022.

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

**CITY OF PLATTSBURGH
CLINTON COUNTY, NEW YORK**

41 City Hall Place
Plattsburgh, New York 12901
Telephone: 518/563-7704
Fax: 518/563-1714

Christopher Rosenquest, Mayor

COUNCILORS

James Canales, Ward 1

Jennifer Tallon, Ward 4

Michael Kelly, Ward 2

Caitlin Bopp, Ward 5

Elizabeth Gibbs, Ward 3

Jeffrey Moore, Ward 6

Richard A. Marks, City Chamberlain

Sylvia Parrotte, City Clerk

Dean Schneller, Esq., Corporation Counsel

* * *

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
New York, New York

* * *

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <http://www.munistat.com>

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

TABLE OF CONTENTS

Page

THE NOTES	1
DESCRIPTION OF THE NOTES	1
OPTIONAL REDEMPTION	1
BOOK-ENTRY SYSTEM	2
DISCLOSURE UNDERTAKING	3
PRIOR COMPLIANCE HISTORY	4
AUTHORIZATION AND PURPOSE.....	5
NATURE OF OBLIGATION.....	5
TAX LEVY LIMITATION LAW	6
SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT	7
GENERAL MUNICIPAL LAW CONTRACT CREDITORS' PROVISION	7
EXECUTION/ATTACHMENT OF MUNICIPAL PROPERTY.....	7
AUTHORITY TO FILE FOR MUNICIPAL BANKRUPTCY	7
STATE DEBT MORATORIUM LAW	7
CONSTITUTIONAL NON-APPROPRIATION PROVISION.....	9
DEFAULT LITIGATION.....	9
NO PAST DUE DEBT	9
THE CITY OF PLATTSBURGH	10
DESCRIPTION	10
GOVERNMENTAL ORGANIZATION.....	10
EMPLOYEES	11
DEMOGRAPHIC AND STATISTICAL INFORMATION	11
POPULATION CHARACTERISTICS	11
SELECTED WEALTH AND INCOME INDICATORS	12
BUILDING PERMITS.....	12
LARGE EMPLOYERS.....	12
UNEMPLOYMENT RATE STATISTICS.....	13
PLATTSBURGH INTERNATIONAL AIRPORT	13
INDEBTEDNESS OF THE CITY	14
CONSTITUTIONAL REQUIREMENTS	14
STATUTORY PROCEDURE.....	14
COMPUTATION OF DEBT LIMIT AND CALCULATION OF NET DEBT CONTRACTING MARGIN	15
DETAILS OF SHORT-TERM INDEBTEDNESS OUTSTANDING	16
DEBT SERVICE REQUIREMENTS - OUTSTANDING BONDS.....	16
CALCULATION OF ESTIMATED OVERLAPPING AND UNDERLYING INDEBTEDNESS	16
AUTHORIZED BUT UNISSUED DEBT	16
CAPITAL PROGRAM	16
ADOPTED CAPITAL BUDGET.....	17
TREND OF OUTSTANDING DEBT	17
DEBT RATIOS	17

TABLE OF CONTENTS - CONTINUED

Page

FINANCIAL MATTERS	17
FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES.....	17
FUND STRUCTURE AND ACCOUNTS.....	18
BASIS OF ACCOUNTING.....	18
INVESTMENT POLICY.....	18
REVENUES.....	19
<i>Real Property Taxes</i>	19
STATE AID.....	19
EXPENDITURES.....	20
BUDGET PROCEDURE.....	20
SUMMARY OF RECENT OPERATING RESULTS AND FUND BALANCE TRENDS.....	20
<i>2016 Results of Operations</i>	20
<i>2017 Results of Operations</i>	20
<i>2018 Results of Operations</i>	20
<i>2019 Results of Operations</i>	20
<i>2020 Results of Operations</i>	20
PLATTSBURGH MUNICIPAL LIGHTING DEPARTMENT.....	20
THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM.....	21
EMPLOYEE PENSION SYSTEM.....	21
CONTRIBUTIONS TO THE RETIREMENT SYSTEMS.....	22
OTHER POST-EMPLOYMENT BENEFITS.....	23
 REAL PROPERTY TAXES	 24
CONSTITUTIONAL TAX MARGIN.....	24
TAX COLLECTION PROCEDURE.....	24
PAYMENTS IN LIEU OF TAXES.....	24
SELECTED LISTING OF LARGE TAXABLE PROPERTIES.....	25
TAX CERTIORARI CLAIMS.....	25
SALES TAX.....	26
 CYBERSECURITY	 26
 IMPACT OF COVID-19	 27
 LITIGATION	 27
 MARKET AND RISK FACTORS	 28
 TAX MATTERS	 28
 LEGAL MATTERS	 30
 RATING	 30
 MUNICIPAL ADVISOR	 30
 OTHER MATTERS	 31
 ADDITIONAL INFORMATION	 31
 APPENDIX A: FINANCIAL INFORMATION	
APPENDIX B: FORM OF BOND COUNSEL’S OPINION	
APPENDIX C: AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020	

OFFICIAL STATEMENT

Relating to

CITY OF PLATTSBURGH CLINTON COUNTY, NEW YORK

\$2,706,397

BOND ANTICIPATION NOTES, 2022

This Official Statement, including the cover page and appendices thereto, has been prepared by the City of Plattsburgh, Clinton County, New York (the "City") and presents certain information relating to the City's \$2,706,397 Bond Anticipation Notes, 2022 (the "Notes"). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State") and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the City's overall economic situation and outlook (and all of the specific City-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "MARKET AND RISK FACTORS" and "IMPACTS OF COVID-19" herein.

THE NOTES

Description of the Notes

The Notes will be dated March 15, 2022 and will mature, without right of redemption prior to maturity, on November 18, 2022, with interest payable at maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the City Chamberlain in Plattsburgh, New York.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, which is or includes \$6,397. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry System" herein.

The City will act as Paying Agent for the Notes. The City's contact information is as follows: Richard A. Marks, City Chamberlain, City of Plattsburgh, 41 City Hall Place, Plattsburgh, New York, 12901, telephone number 518/563-1680 and email: marksr@cityofplattsburgh-ny.gov.

Optional Redemption

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

Book-Entry System

In the event that the Notes are issued in registered book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered Notes registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need or physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

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

Source: The Depository Trust Company

Disclosure Undertaking

This Official Statement is in a form "deemed final" by the City for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the City will provide an executed copy of its "Material Event Notices Certificate" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the City; note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City; (xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect noteholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

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

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

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

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

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

The City's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the City, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the City to comply with the Undertaking will not constitute a default with respect to the Notes.

The City reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Prior Compliance History

The following table sets forth the annual filings for each of the five preceding fiscal years.

<u>Fiscal Year Ending December 31:</u>	<u>Financial & Operating Information</u>	<u>Audited Financial Statements</u>
2015	06/07/2016	08/09/2016
2016	06/20/2017	09/21/2017
2017	06/28/2018	12/26/2018
2018	06/17/2019	09/04/2019
2019	06/10/2020	11/30/2020
2020	06/18/2021	10/25/2021

On April 11, 2016, the City filed a material event notice as to the failure to file a rating downgrade of the City by Standard and Poor’s Corporation that occurred on January 23, 2014 and a ratings upgrade on Assured Guaranty Municipal Corp. (AGM) that occurred on March 18, 2014. Material event notices as to the rating changes were filed on February 28, 2014 and April 11, 2016, respectively.

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and various bond ordinances adopted by the City Council. The amounts to be financed are set forth below.

Date of Authorization	Purpose	Amount Authorized	Total Amount to be Issued
12/16/2021	Farmers' Market Improvements	\$ 303,127	\$ 47,614
12/16/2021	Street Resurfacing	1,312,950	1,297,950
12/16/2021	Fire Station Ramp Replacement	100,000	100,000
12/16/2021	DPW Boiler System Replacement	380,000	260,833
12/16/2021	Construction of a New Water Supply Well	<u>1,000,000</u>	<u>1,000,000</u>
		<u>\$ 3,096,077</u>	<u>\$ 2,706,397</u>

Nature of Obligation

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the City of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the City to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

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

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

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

Tax Levy Limitation Law

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

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

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

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

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

Execution/Attachment of Municipal Property

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

Authority to File For Municipal Bankruptcy

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

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

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

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

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

State Debt Moratorium Law

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

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

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

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a

certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The City is presently not working with the FRB and does not reasonably anticipate doing so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

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

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

Default Litigation

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

No Past Due Debt

No principal of or interest on City indebtedness is past due. The City has never defaulted in the payment of the principal of and interest on any indebtedness.

THE CITY OF PLATTSBURGH

Description

The City, with a land area of 6.6 square miles and a population of 19,465 according to the 2019 U.S. Census Bureau estimates, is located in the northeastern corner of New York State about 26 miles south of the Canadian border. Situated on the western shore of Lake Champlain, the City, which was founded in 1902, serves as the County seat of Clinton County and as the commercial, industrial and cultural center for an area which includes about 82,000 people.

The City enjoys a diversified economic base encompassing manufacturing plants (paper products, plastics, etc.), commercial and financial establishments, a branch of the State University, recreation-oriented facilities (hotels, motels, restaurants) and several departmental regional offices of the State and Federal governments. Residential development consists primarily of single-family homes with some apartment complexes. The City purchases power and distributes it over city owned distribution facilities. Its sewerage treatment plant, with a capacity of 16 million gallons per day, commenced operations in 1973. The City also maintains a police force, a fire department, a public library, a mile-long beach on Lake Champlain, and a marina.

The State University College at Plattsburgh, located in the City, has a total enrollment of approximately 6,695 and offers degrees in the liberal arts and such courses as nursing, teacher education and medical technician. Clinton Community College, situated nearby, enrolls approximately 2,352 students in the liberal arts, business and other fields of study. The Miner Center (an environmental studies center operated by the Miner Foundation and the State College at Plattsburgh) and the Miner Agricultural Research Institute - Cornell University agricultural research and demonstration center offer additional opportunities for advanced study. Lake Placid, the site of the 1932 and 1980 Winter Olympics, is a one-hour drive from the City. Montreal, located 62 miles to the north, offers cultural, entertainment and sports events throughout the year.

On September 30, 1995, the Federal Government closed the Plattsburgh Air Force Base, approximately 25% of which is located in the City. The Plattsburgh Airbase Redevelopment Corporation, a local development agency largely funded by the Department of Defense, has been formed to assist in the development and implementation of the base reuse strategy. See "Plattsburgh International Airport" herein.

The Clinton County Airport, located just outside the City on the site of the closed air base, is serviced by commuter and major airlines providing direct flights to Albany, Boston, South Carolina, Florida, etc. Passenger and freight rail transportation is provided by the Canadian Pacific Railway. There is a terminal of the New York State Barge Canal system in the City on Lake Champlain and ferry service across the Lake to Vermont is available. Highways include Interstate Route 87 (the Adirondack Northway) with three interchanges at Plattsburgh and New York State Routes 3, 9 and 22.

Governmental Organization

The Mayor is the chief executive officer in city government. The office of the Mayor is a full-time salaried position; the Mayor is elected at large for a four-year term. The Common Council is the legislative branch of government and consists of six councilors, one from each of the six wards which comprise the City. Councilors are elected for three-year terms by voters within the wards which they represent. The new four year terms for Mayor and all six Councilors began January 1, 2014. Voting for Mayor and all six Councilors will be staggered after January 1, 2014, instead of all seven positions being elected at one time.

The City Chamberlain is the chief fiscal officer of the City. The office of City Chamberlain is a civil service position, qualification for which is by civil service test. The office of City Clerk is also a civil service position, and qualification for this office is also by civil service test.

Public meetings of the Common Council are held the 1st and 3rd Thursday of each month at 5:00 p.m. and public Committee meetings are held on Mondays and on the Thursdays that the Common Council does not meet. The agenda for public meetings is established no later than noon two days before each scheduled meeting. The Mayor may vote in the Council if a tie results.

Employees

The City provides services through approximately 205 full-time employees and 27 part-time employees. Some of such employees are represented by organized labor as follows:

<u>Employee Organization</u>	<u>Term of Contract</u>	<u>Est. No. of Employees</u>
AFSCME, Council 66, AFL-CIO, Local 788 (City Library)	June 30, 2022	9
AFSCME, Council 66, AFL-CIO-Local 788	June 30, 2024	75
Plattsburgh Permanent Firemen’s Association(IAFF) Local 2421	December 31, 2022	37
AFSCME, Council 82, AFL-CIO, Local 812 Plattsburgh Police Officers Union	December 31, 2016 ^a	40
International Brotherhood of Electrical Workers Local 1249	June 30, 2022	26

There have been no strikes against the City and its labor relations have been amicable.

a. Expired, currently in negotiations.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the City, the County, and the State.

Population Characteristics

Since 1990, the City has had a population trend, as compared to the County and State, as indicated below:

<u>Year</u>	<u>Plattsburgh City</u>	<u>Clinton County</u>	<u>State of New York</u>
1990	21,255	85,969	17,990,455
2000	18,816	79,894	18,976,457
2010	19,989	82,128	19,378,102
2019	19,465	80,485	19,453,561

Source: U.S. Bureau of the Census and current estimates.

Selected Wealth and Income Indicators

	Per Capita Money Income			
	1990	2000	2010	2019 ^a
City of Plattsburgh	\$11,814	\$17,127	\$20,842	\$25,110
County of Clinton	11,444	17,946	22,607	32,638
State of New York	16,501	23,389	30,791	41,857

	Median Household Income			
	1990	2000	2010	2019 ^a
City of Plattsburgh	\$22,691	\$28,846	\$37,638	\$49,065
County of Clinton	26,903	37,028	46,843	60,198
State of New York	32,965	43,393	55,603	72,108

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2015-2019)

Building Permits

<u>Year</u>	<u>Total</u>	<u>Estimated Costs</u>
2016	543	25,207,670
2017	511	21,721,507
2018	506	9,319,303
2019	430	23,304,939
2020	393	23,725,525
2021	428	17,703,311

Large Employers

<u>Name</u> ^a	<u>Type</u>	<u>Estimated Number Of Employees</u>
CVPH Medical Center	Medical Center	2,300
State University at Plattsburgh	Educational	1,125
County of Clinton Government	Municipal Services	850
Mold Rite Plastics Inc.	Manufacturer	498
Bombardier Transportation	Manufacturer	454
Plattsburgh City School District	Educational	390
Meadow Brook Health Care	Health Care Facility	300
Chartwells	Commercial	250
City of Plattsburgh	Municipal Services	225
Georgia-Pacific Corporation	Manufacturer	131

Source: City Officials.

a. In recent years, Bombardier Transportation has experienced layoffs due to a fluctuation in demand.

Unemployment Rate Statistics

Unemployment statistics are not available for the City as such. The smallest area for which such statistics are available (which includes the City) is the County of Clinton. The information set forth below with respect to the County of Clinton is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the City is necessarily representative of the County or vice versa.

<u>Annual Averages:</u>	<u>Clinton County (%)</u>	<u>New York State (%)</u>
2016	5.3	4.9
2017	5.4	4.7
2018	4.4	4.1
2019	4.4	4.0
2020	8.0	10.0
2021	5.0	7.2

Source: Department of Labor, State of New York

Plattsburgh International Airport

In February 2003, the Clinton County Legislature agreed to take title to the portion of the former Plattsburgh Air Force Base containing the aviation assets. On February 28, 2003, the Chairperson of the Clinton County Legislature executed a “Lease in Furtherance of Conveyance” agreement with the U.S. Air Force that allowed the County to assume control over 1,700 acres of land for the operation of an airport. The County also entered into an agreement with Plattsburgh Airbase Redevelopment Corp. (“PARC”) on February 28, 2003 that obligated PARC to manage and operate the airport on behalf of the County for one year.

Over the past several years, the County has been engaged in several capital improvement projects to relocate Clinton County Airport to Plattsburgh International Airport. The projects include construction of a new passenger terminal, major renovations of the ILS (instrument landing system) and precision instrument approach, runway improvements and repairs, and construction of a new fuel farm. The projects are now complete, and the airport operates as a Part 139 certificate Commercial Service Airport, supporting activities of industrial tenants, general aviation, and passenger flights.

Plattsburgh International Airport – Terminal Expansion and Capacity Enhancement Project – This terminal expansion project at Plattsburgh International Airport is intended to accommodate current demand as well as forecasted demand through 2030. The proposed expansion is expected to address the passenger terminal (including ancillary functions such as fueling, aircraft boarding, etc.), vehicle parking, roadway, and utility enhancements needed to accommodate 2030 forecasted demands. The project will include design for the following major terminal expansion elements:

- Approximately \$55,000,000 million, 60,000 +/- SF expansion of the existing terminal building including additional boarding gates, ticket counters, passenger screening facilities, concessions, baggage makeup and claim facilities, passenger circulation and waiting rooms and concessions.
- Re-configuration and expansion of vehicular access and circulation roadway system within the airport property.
- Re-configuration and expansion of existing terminal parking lot to accommodate future demand and replace parking capacity that will be lost due to the terminal building expansion.
- Conversion of the existing aircraft apron between nose docks 7 and 8 to vehicle parking lots to provide vehicle parking to accommodate 2030 forecasted demand and replace parking capacity that will be lost due to terminal building expansion.
- Upgrades to and relocation of utilities, as needed.
- Storm water management measures needed to meet regulatory requirements for added impervious surface.
- Security enhancements as needed to comply with Transportation Security Administration requirements for perimeter and access control, monitoring, etc.

The project has now been completed and provides a long term solution to the capacity shortcomings in the terminal area.

INDEBTEDNESS OF THE CITY

Constitutional Requirements

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

Purpose and Pledge. The City shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average period of probable usefulness thereof; and no installment may be more than fifty per centum in excess of the smallest prior installment, unless the City has authorized the issuance of indebtedness having substantially level or declining annual debt service. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The City is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the City so as to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the City's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limitation Law," herein.

Statutory Procedure

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

Pursuant to the Local Finance Law, the City authorizes the incurrence of indebtedness by the adoption of a bond ordinance approved by at least two-thirds of the members of the Common Council, the finance board of the City. Certain such resolutions may be subject to permissive referendum, or may be submitted to the City voters at the discretion of the Common Council.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions, the City complies with this estoppel procedure. The City is in compliance with such requirements with respect to the other bond ordinances authorizing the issuance of the Notes.

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. See "Payment and Maturity" under "Constitutional Requirements".

In addition, under each bond resolution, the Common Council may delegate, and has delegated, power to issue and sell bonds, to the City Chamberlain, the chief fiscal officer of the City.

In general, the Local Finance Law contains similar provisions providing the City with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the City by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the City to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limitation Law. See “Nature of Obligation” and “Tax Levy Limitation Law,” herein.

Computation of Debt Limit and Calculation of Net Debt Contracting Margin^a
(As of February 14, 2022)

<u>Fiscal Year ending Dec 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2018	\$948,718,535	100.00	\$948,718,535
2019	953,142,286	100.00	953,142,286
2020	989,869,458	100.00	989,869,458
2021	999,444,777	100.00	999,444,777
2022	1,023,680,698	100.00	1,023,680,698
Total Five Year Full Valuation			\$4,914,855,754
Average Five Year Full Valuation			982,971,151
Debt Limit - 7% of Average Full Valuation			68,807,981
 Inclusions:			
Various Purpose Debt			\$13,817,781
Electric System Debt			4,321,805
Water Purpose Debt			3,215,414
Bond Anticipation Notes			0
Total Indebtedness			21,355,000
 Exclusions:			
Appropriations for Bonds			2,406,514
Electric Purpose Debt			4,321,805
Water Purpose Debt			3,215,414
Total Exclusions			9,943,733
Total Net Indebtedness			11,411,267
Net Debt Contracting Margin			57,396,714
 Per Cent of Debt Contracting Margin Exhausted			 16.58%

^a. See also “Water System Improvements” Herein.

Details of Short-Term Indebtedness Outstanding
(As of February 14, 2022)

As of the date of this Official Statement, the City does not have any bond anticipation notes currently outstanding.

Source: City Officials.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,050,000	\$ 651,749	\$ 3,701,749
2023	3,105,000	553,913	3,658,913
2024	3,145,000	450,097	3,595,097
2025	2,715,000	346,693	3,061,693
2026	2,640,000	252,762	2,892,762
2027	2,475,000	172,137	2,647,137
2028	1,620,000	104,420	1,724,420
2029	1,625,000	57,291	1,682,291
2030	980,000	22,550	1,002,550
Totals	\$ 21,355,000	\$ 2,611,612	\$ 23,966,612

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
Clinton County	07/15/2021	19.95	\$10,423,555	\$9,807,545
Plattsburgh CSD	12/23/2021	100.00	7,320,000	7,320,000
Totals			\$17,743,555	\$17,127,545

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Authorized but Unissued Debt

As of the date of this Official Statement, the City has authorized but unissued debt in the aggregate amount of \$25,028,877. On September 6, 2018, the City authorized an amount not to exceed \$17,410,000 to finance the cost of the reconstruction of the Water Pollution Control Plant. The City plans on reconstructing the plant over the next year with local and grant funding. On December 16, 2021, the City authorized \$1,438,446 for General and Water Fund Purposes.

Capital Program

The City is generally responsible for providing services as required to the citizens on a City-wide basis. The City maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the City owns, operates, maintains and improves recreation facilities. As has been noted, the City generally has provided the financing for water and sewer purposes and maintains primary responsibility for these functions. In general, needs for capital funding for the above described projects which the City has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past. A summary of the City's capital plan is contained in Appendix A

Adopted Capital Budget

The Adopted Capital Budget of the City, which sets forth the Capital Improvement Plan (“CIP”) for the years 2022 to 2026, is set forth in Appendix A.

Trend of Outstanding Debt

	Fiscal Year Ending December 31:				
	2017	2018	2019	2020	2021
Debt Outstanding End of Year:					
Bonds	\$28,049,095	\$24,880,000	\$20,700,000	\$24,423,519	\$21,355,000
BANs	0	0	0	0	0
Other Notes	0	0	0	0	0
Total Debt Outstanding	\$28,049,095	\$24,880,000	\$20,700,000	\$24,423,519	\$21,355,000

Debt Ratios

(As of February 14, 2022)

	Amount	Per Capita ^a	Percentage Of Full Value (%) ^b
Total Direct Debt	\$21,355,000	\$1,097	2.086
Net Direct Debt	11,411,267	586	1.115
Total Direct & Applicable Total Overlapping Debt	39,098,555	2,009	3.819
Net Direct & Applicable Net Overlapping Debt	28,538,812	1,466	2.788

a. The current estimated population of the City is 19,465.

b. The full valuation of taxable real property in the City for 2021-2022 is \$1,023,680,698.

FINANCIAL MATTERS

Financial Statements and Accounting Procedures

The City maintains its financial records in accordance with the Uniform System of Accounts for Cities prescribed by the State Comptroller. The financial records of the City are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2020. A summary of operating results are presented in Appendix A. In addition, the financial affairs of the City are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the City has complied with the requirements of various State and Federal statutes. See “The State Comptroller’s Fiscal Stress Monitoring System” section herein.

As required by law, the City also prepares an Annual Financial Report Update Document (“AUD”), which is unaudited and not prepared in accordance with generally accepted accounting principles, for submission to the office of the State Comptroller.

The City is in compliance with the Governmental Accounting Standards Board (“GASB”) Statement 34, “Basic Financial Statements and Management’s Discussions and Analysis for State and Local Governments”. City finances are operated through its General Fund, Special Revenue Funds and the Municipal Lighting Department Fund. All property taxes and most non-tax revenues are paid into the General Fund and applicable revenues are paid into the Special Revenue and Lighting Department Funds. All current operating expenditures are made from the funds pursuant to appropriations of the Common Council. The City's fiscal year begins January 1 and ends December 31.

Fund Structure and Accounts

The City utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature and; (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The City maintains the following governmental funds: General Fund, Water Fund, Sewer Fund, Special Grant Fund, Municipal Parking Fund, Recreation Complex Fund, Public Library Fund, Debt Service Fund, Insurance Reserve Fund and Capital Projects Fund. The General Fund is the operating fund of the City and accounts for general tax revenues, miscellaneous receipts not allocated by law or contractual agreement to other funds, general operating expenses, and fixed charges. The Water Fund is used to account for water operations which are not required to be accounted for on an enterprise basis. The Sewer Fund is used to account for sewer operations which are not required to be accounted for on an enterprise basis. The Special Grant Fund is used to account for Community Development Block Grants, Urban Development Action Grants and other community development programs. The Capital Projects Fund is used to account for moneys used for the acquisition of capital facilities and improvements. The Municipal Lighting Fund is proprietary in nature. Fiduciary funds consist of the Trust and Agency Fund.

Basis of Accounting

The City maintains its records and reports on the modified accrual basis of accounting for recording transactions in its Governmental Funds. Under this method, (1) revenues are recorded when received in cash, except for revenues which are material and susceptible to accrual, that is when they become "measurable" and "available in which case the revenues are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay and accrued interest on bond anticipation notes and general long-term debt, are recorded at the time liabilities are incurred.

Investment Policy

Pursuant to the statutes of the State of New York, the City is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the City; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are considered lawful investments for the City pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the City pursuant to law, in obligations of the City. Any investments made by the City pursuant to law are required to be payable or redeemable at the option of the City within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the City's investments, unless registered or inscribed in the name of the City, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. Historically, the City has not chosen to invest in repurchase agreements.

Collateral is required for demand deposit, money market accounts and certificates of deposit 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 New York State and its municipalities and school districts.

Revenues

The City receives most of its revenues from real property taxes and assessments. A summary of such revenues for the five recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

The City receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year of future years, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Based on the audited results, the City received approximately 10.99% of its total General Fund operating revenue from State aid in 2020. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues

Although the City cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal Stimulus Act monies made available to pay State aid in future years, the City may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the City's General Fund revenue comprised of State and Federal Aid for each of the fiscal years 2016 through 2020 and as budgeted for 2021 and 2022.

<u>Fiscal Year Ended</u> <u>December 31:</u>	<u>General Fund</u> <u>Total Revenue</u>	<u>State &</u> <u>Federal Aid</u>	<u>State Aid To</u> <u>Revenues (%)</u>
2016	\$22,155,856	\$3,039,243	13.72
2017	22,994,205	3,036,023	13.20
2018	23,963,255	3,297,923	13.76
2019	24,444,881	3,165,378	12.95
2020	23,584,956	2,592,639	10.99
2021 (Estimated)	25,285,423	3,783,076	14.96
2022 (Budgeted)	24,164,630	3,014,151	12.47

Source: Audited Financial Statements (2016-2020), City Officials (2021) and Adopted Budget of the City (2022).

Expenditures

The major categories of expenditure for the City are General Government Support, Public Safety, Transportation, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A - Financial Statements.

Budget Procedure

The Budget Procedure is established by provisions of the City Charter. On or before October 1 of each year, the Mayor submits to the Common Council a 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. The Common Council adopts the budget and necessary implementing ordinances not later than 14 days after the start of the fiscal year.

Summary of Recent Operating Results and Fund Balance Trends

2016 Results of Operations

For the fiscal year ended December 31, 2016, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund were \$22,155,856 and the total expenditures, including transfers were \$22,549,001, resulting in an operating deficit of \$393,145. The total overall fund balance in the General Fund decreased from \$1,851,704 to \$1,458,559.

2017 Results of Operations

For the fiscal year ended December 31, 2017, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund were \$22,994,205 and the total expenditures, including transfers were \$23,301,744, resulting in an operating deficit of \$307,539. The total overall fund balance in the General Fund decreased from \$1,458,559 to \$1,151,020.

2018 Results of Operations

For the fiscal year ended December 31, 2018, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund were \$23,963,255 and the total expenditures, including transfers were \$23,484,801, resulting in an operating surplus of \$478,454. The total overall fund balance in the General Fund increased from \$1,151,020 to \$1,629,473.

2019 Results of Operations

For the fiscal year ended December 31, 2019, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund were \$24,444,881 and the total expenditures, including transfers were \$22,542,156, resulting in an operating surplus of \$1,902,725. The total overall fund balance in the General Fund increased from \$1,629,473 to \$3,532,198.

2020 Results of Operations

For the fiscal year ending December 31, 2020, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund will be approximately \$23.41 million and the total expenditures, including transfers will be approximately \$21.26 million, resulting in an operating surplus of approximately \$2,146,962. The total overall fund balance in the General Fund is expected to increase from \$3.53 million to \$5.71 million.

Plattsburgh Municipal Lighting Department

The City of Plattsburgh Municipal Lighting Department ("PMLD") owns and operates an electric transmission and distribution system serving the area within the corporate limits of the City of Plattsburgh. The PMLD purchases all of its energy requirements from the New York Power Authority and the New York Municipal Power Agency. Revenues are derived from the sale of electric power to all types of users within the City; major categories of expense include the purchase of electricity, transmission and administration and general expenses. A summary of such revenues and expenses for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller’s Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the City as “No Designation” with a fiscal score of 3.3% and an environmental score of 23.30%. Additional details regarding FSMS can be found on the website of the State Comptroller. Reference to this website implies no warranty of accuracy of information herein. The following table shows the City’s fiscal scores for the years 2018 through 2020:

Fiscal Year Ending <u>December 31:</u>	Fiscal Stress <u>Score (%)</u>	Environmental <u>Score (%)</u>
2018	54.60	16.70
2019	26.30	23.30
2020	3.30	23.30

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released May 27, 2015. The purpose of such audit was to examine the City’s internal controls procedures from the period January 1, 2013 – December 31, 2013. The complete report and the City’s response may be found on the OSC’s official website. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

Employee Pension System

Substantially all employees of the City are members of the New York State and Local Employees’ Retirement System (“ERS”) or the State and Local Police and Fire Retirement System (“PFRS” and together with ERS, the “Retirement System”). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for “Tier 6” employees, as discussed below, whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the City. Under the previous method, the City was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the City is notified of and can include the actual cost of the employer contribution in its budget. Legislation also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the City that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Due to significant capital market declines in the past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State’s Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

Members of the PFRS are divided into four tiers. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. PFRS members that were hired between July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. PFRS members hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution. PFRS members hired after April 1, 2012 are in Tier 6, which also originally has a 3% contribution requirement for members for fiscal year 2012-2013; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

The City has not elected to amortize contributions and does not expect to do so in the foreseeable future.

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$1,288,179	\$1,421,943	\$2,710,122
2018	1,210,750	1,289,550	2,500,300
2019	1,112,298	1,519,740	2,632,038
2020	1,129,889	1,331,867	2,461,756
2021	1,102,243	1,566,308	2,668,551
2022 (Budgeted)	831,624	1,582,428	2,414,052

Other Post-Employment Benefits

The City provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the City adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2018, the City implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The City’s total OPEB liability at December 31, 2020 is as follows:

Total OPEB Liability at Dec 31, 2019	\$151,493,102
Charges for the Year:	
Service Cost	1,645,489
Interest	4,079,231
Changes of Benefit Terms	(3,107,122)
Difference between Expected and Actual Experience	6,907,552
Changes in Assumptions or Other Inputs	12,507,441
Benefit Payments	(4,802,901)
Net Changes in total OPEB liability	17,229,690
Total OPEB Liability at Dec 31, 2020	\$168,722,792

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

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. The City continues funding the expenditure on a pay-as-you-go basis.

REAL PROPERTY TAXES

**Constitutional Tax Margin
2022**

Five-Year Average Full Valuation	\$982,971,151
Tax Limit - 2% Thereof	19,659,423
Tax Levy for City Purposes	11,639,250
Exclusions	2,747,928
Tax Levy Subject to Tax Limit	<u>8,891,322</u>
Constitutional Tax Margin	<u>10,768,101</u>
Percentage of Unused Taxing Power	45.23%

The following table sets forth the percentage of the City’s General Fund revenue (including other financing sources) comprised of real property taxes for each of the fiscal years 2016 through 2020 and budgeted for 2021 and 2022.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2016	\$22,155,856	\$10,294,055	46.46
2017	22,994,205	10,973,909	47.72
2018	23,963,255	11,457,934	47.81
2019	24,444,881	11,679,004	47.78
2020	23,584,956	11,601,221	49.19
2021 (Estimated)	25,285,423	11,364,518	44.94
2022 (Budgeted)	24,164,630	11,639,250	48.17

Source: Audited Financial Statements (2016-2020), City Officials (2021) and Adopted Budget of the City (2022). Table itself not audited.

Tax Collection Procedure

Combined City-County property taxes, together with total of all other tax roll charges are payable in four equal installments, or in any multiples of installments; there is no discount. Installment due dates are the 15th of each month, March through June. Penalties on installments remaining unpaid after 30 days following each respective due date are imposed at the rate of one per cent (1%) per month or part thereof for each installment.

The Summary of the Tax Levy, Collection Procedure and the Tax Rates for the last five years is included in Appendix A.

Payments in Lieu of Taxes

Pursuant to the terms of an agreement between the City, the Town of Plattsburgh, the County of Clinton and the Beekmantown Central School District, the City received payment in lieu of taxes from Saranac Power Partners, LLP during 2016 for \$93,333. The City received \$93,333 during 2017 for payment in lieu of taxes from the agreement but was informed by the Town of Plattsburgh that the revenue would be reduced by roughly 92% for periods 2018 and forward due to a renegotiation of the Saranac Powers Partners revenue sharing agreement. The City received a payment from the Town of Plattsburgh in the amount of \$7,644 in 2018, \$7,280 in 2019 \$6,734 in 2020 and \$6,946.33 in 2021. Saranac Power Partners constructed a \$500 million co-generating plant in the City of Plattsburgh; the plant generates through a combination of steam and natural gas, a total of 400 megawatts on the power grid of the New York State Electric & Gas Corporation. The plant was completed and on line in June 1994.

Selected Listing of Large Taxable Properties
2021 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation^b</u>
Meadowbrook Realty Group LLC	Nursing Home	\$16,400,000
Georgia Pacific Corp.	Industrial	15,124,400
Terry M. Meron	Apartments	11,579,000
Bombardier Mass Transit Corp	Industrial	10,500,000
Mousseau Properties LLC	Commercial	9,762,600
Lake Forest Senior Living	Nursing Home	8,814,000
Mold Rite Plastics	Industrial	8,121,500
EZ Properies	Commercial	7,480,600
Plattsburgh Plaza LLC	Industrial	7,224,153
Skyway Properties LLC	Shopping Center	6,210,000
NYSEG	Utility	5,920,776
SF II Plattsburgh LLC	Commercial	5,707,520
Terrace West Apartments	Apartments	5,645,900
Green Beekman Towers	Commercial	5,016,300
Mountain Harbor Properties	Residential	4,853,900
Erin Court and Erin Heights	Apartments	4,837,400
CVPH Medical Center	Medical	4,729,900
Lewis Heighrs LLC	Commercial	4,692,700
Tall Pne Estates LLC	Commercial	4,438,500
North Shore Apartments	Apartments	4,262,000
Pine Harbor Inc.	Nursing Home	4,013,800
	Total ^c	\$155,334,949

- a. Assessment Roll established in 2020 for levy and collection of taxes during 2021 Fiscal Year
- b. There are several real property tax cases pending against the City. Historically many cases are abandoned or settled by modest reductions in assessed value in future years. It is unlikely that any pending case will result in a refund of overpaid taxes. In the opinion of the City, any liability that may arise would be immaterial in relation to the financial statements taken as a whole. See "Litigation" and "Tax Certiorari Claims" sections herein.
- c. Represents approximately 15.17% of the total full taxable assessed valuation of the City for 2021 of \$1,023,680,698.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of City taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. Presently, there are no significant claims that are reasonably expected would have an adverse effect on the financial condition of the City.

Sales Tax

Most counties in the State share some portion of the proceeds from their sales tax with cities, towns, villages, or school districts. These sales tax distributions are done in accordance with sharing agreements based on population, real property valuation and/or other factors, some of which are required by statute under certain circumstances and others or which are left to the discretion of the county. All of the sharing agreements must be approved by the county legislature, and any agreement between cities and counties that does not allocate revenues solely in proportion to population must also be approved by the State Comptroller.

The impacts of COVID-19 on the City and the economy is also expected to impact sales future tax collections. (See also “IMPACT OF COVID-19” herein.)

The County presently imposes a sales tax and use tax of 4%, in addition to the 4% tax imposed by the State for a countywide sales tax rate of 8%. Such sales and use tax collections are administered by the State Tax Commission and paid at least monthly to the County. The County, pursuant to a Sales Tax Sharing Agreement shares the proceeds of the County’s 4% sales and use tax with the City, fourteen towns and four villages within the County. Under the terms of the Agreement, on the first 3%, the County retains 55% of the sales tax revenues up to \$27.1 million, 65% of the sales tax revenues over \$27.1 million with the balance disbursed quarterly to the municipalities on a formula basis. The additional 1% is retained by the County.

The following table sets forth the percentage of the County’s General Fund revenue (excluding other financing sources) comprised of sales tax for each of the fiscal years 2016 through 2020 and as budgeted for 2021 and 2022.

Year Ended <u>December 31:</u>	Total General Fund <u>Revenues</u>	Sales <u>Taxes</u>	Sales Taxes to <u>Revenues (%)</u>
2016	\$22,155,856	\$3,953,621	17.84
2017	22,994,205	4,079,903	17.74
2018	23,963,255	4,302,695	17.96
2019	24,444,881	4,425,749	18.11
2020	23,584,956	4,300,185	18.23
2021 (Estimated)	25,285,423	4,871,982	19.27
2022 (Budgeted)	24,164,630	4,627,303	19.15

Source: Audited Financial Statements (2016-2020), City Officials (2021) and Adopted Budget of the City (2022). Table itself is not audited.

CYBERSECURITY

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures implemented will be completely successful to guard against cyber threats and attacks. The result of any such attacks could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be significant.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency which has since been terminated and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for extended periods. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the City's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the City.

The American Rescue Plan Act ("ARPA") is a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The City is expected to receive approximately \$2,100,000 in direct aid through the ARPA which was signed into law on March 11, 2021. The City received 50% of its allocation in 2021 and expects to receive the remaining 50% in 2022. According to the ARPA, the City must obligate the funds by December 31, 2024 and expend them by December 31, 2026. It is the intent of the City, to the extent allowable under the ARPA, to use these funds for expenditures incurred as well as lost revenue related to COVID-19. The intended use of the remaining funds is still under discussion, but investment in the City's infrastructure is under consideration (pending further guidance under the ARPA).

Although the ARPA provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules. The City will continue to monitor closely the 2022 economic environment and the global COVID-19 pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the City.

LITIGATION

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 would be immaterial in relation to the financial statements 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 is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the City, threatened against or affecting the City to restrain or enjoin sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the City taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the City.

MARKET AND RISK FACTORS

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

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

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

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

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

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

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

TAX MATTERS

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

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the

Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

Legal matters incidental to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix B.

RATING

The Notes are not rated. The City's outstanding bonds is rated "Baa1" by Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761. The rating reflect only the view of the rating agency and any desired explanation of the significance of such rating should be obtained from Moody's. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Notes or the availability of a secondary market for such Notes.

MUNICIPAL ADVISOR

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

OTHER MATTERS

The City is in compliance with the procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

There is no bond or note principal or interest past due.

The fiscal year of the City is January 1 to December 31.

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the City, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Richard A. Marks, City Chamberlain, City of Plattsburgh, 41 City Hall Place, Plattsburgh, New York, 12901, telephone number 518/563-1680 and email: marksr@cityofplattsburgh-ny.gov or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

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

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

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

Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the City Chamberlain pursuant to the power delegated to him by the authorizing note resolutions to sell and deliver the Notes.

This Official Statement has been duly executed and delivered by the City Chamberlain of the City of Plattsburgh.

CITY OF PLATTSBURGH, NEW YORK

By: s/s RICHARD A. MARKS
City Chamberlain and Chief Fiscal Officer

March , 2022

APPENDIX A

FINANCIAL INFORMATION

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

**Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund**

	Fiscal Year Ending December 31:				
	2016	2017	2018	2019	2020
Revenues:					
Real Property Taxes	\$ 10,294,055	\$ 10,973,909	\$ 11,457,934	\$ 11,679,004	\$ 11,601,221
Real Property Tax Items	378,446	340,886	364,957	205,942	247,333
Non-property Taxes	4,243,843	4,363,155	4,571,798	4,690,090	4,596,316
Departmental Income	1,563,505	1,679,908	1,671,030	1,998,312	1,910,806
Use of Money and Property	12,836	13,694	20,651	37,523	8,251
Licenses and Permits	108,817	126,795	120,620	176,341	67,343
Fines and Forfeitures	358,594	312,291	215,859	285,103	99,003
Sale of Property and Comp. for Loss	58,575	89,011	20,647	71,634	213,523
Miscellaneous	111,789	112,501	150,458	67,970	64,468
Interfund Revenues	834,880	786,793	818,859	867,867	767,598
State Aid	3,039,243	3,036,023	3,297,923	3,165,378	2,592,639
Federal Aid	5,552		47,753	13,611	31,910
Total Revenues	21,010,135	21,834,966	22,758,486	23,258,775	22,200,411
Other Financing Sources:					
Proceeds of Obligations					
Operating Transfers In	1,145,721	1,159,239	1,204,769	1,186,106	1,210,727
Total Revenues and Other Financing Sources	22,155,856	22,994,205	23,963,255	24,444,881	23,411,138
Expenditures:					
General Government Support	2,342,586	3,109,528	2,279,344	1,875,403	1,872,450
Public Safety	7,926,080	7,601,063	8,077,156	7,471,444	7,529,594
Transportation	1,239,590	1,193,488	1,410,960	1,139,253	1,117,680
Economic Assistance and Opportunity	136,650	124,731	546,146	606,323	462,895
Culture and Recreation	437,341	410,731	206,275	191,498	42,842
Home and Community Services	561,396	557,453	652,024	494,965	500,203
Employee Benefits	7,412,604	7,420,826	7,226,310	7,438,788	6,989,241
Total Expenditures	20,056,247	20,417,820	20,398,214	19,217,674	18,514,905
Other Financing Uses:					
Operating Transfers Out	(2,492,754)	(2,883,924)	(3,086,587)	(3,324,482)	(2,749,271)
Total Expenditures and Other Financing Uses	22,549,001	23,301,744	23,484,801	22,542,156	21,264,176
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(393,145)	(307,539)	478,454	1,902,725	2,146,962
Fund Balance Beginning of Year	1,851,704	1,458,559	1,151,020	1,629,473	3,532,198
Prior Period Adjustment					33,725^a
Fund Balance, Restated	1,851,704	1,458,559	1,151,020	1,629,473	3,565,923
Fund Balance End of Year	\$ 1,458,559	\$ 1,151,020	\$ 1,629,473	\$ 3,532,198	\$ 5,712,885

Sources: Audited Financial Statements (2016-2020)

Note: This Schedule is not Audited.

a. Prior Period Adjustments: The City implemented GASB 84 during the year ended December 31, 2020. As such, certain amounts historically reported in the Trust + Agency Fund were moved to the Governmental Funds.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds'**

	Fiscal Year Ending December 31:				
	2016	2017	2018	2019	2020
Revenues:					
Real Property Taxes	\$ 85,010	85,010	85,010	85,010	85,010
Departmental Income	8,020,425	8,881,929	8,560,156	8,844,895	8,364,927
Intergovernmental Charges	1,059,930	1,102,627	1,342,176	1,274,139	1,141,800
Use of Money and Property	75,273	80,878	54,067	171,509	124,005
Licenses and Permits				1,850	
Sale of Property and Comp. for Loss	12,312	18,479	14,505	17,219	119,766
Miscellaneous	56,764	88,554	43,541	17,032	24,222
Interfund Revenues	107,650	109,235	111,131	114,348	127,796
State Aid	877,205	621,170	365,579	161,862	345,035
Federal Aid	3,406	6,380	4,428	5,670	11,406
Total Revenues	10,297,975	10,994,262	10,580,593	10,693,534	10,343,967
Other Financing Sources:					
Debt Proceeds					
Operating Transfers In	1,240,320	1,468,775	1,251,337	1,374,615	1,052,677
Total Revenues and Other Financing Sources	11,538,295	12,463,037	11,831,930	12,068,149	11,396,644
Expenditures:					
General Government Support	531,211	530,712	530,996	558,296	510,610
Transportation	41,112	80,250	65,090	70,104	86,690
Culture and Recreation	1,611,642	1,428,725	1,354,186	1,473,619	786,080
Home and Community Services	6,185,840	5,583,665	5,775,345	5,175,805	4,989,344
Employee Benefits	2,368,169	2,344,519	2,271,967	2,259,826	2,366,460
Debt Service				0	0
Total Expenditures	10,737,974	9,967,871	9,997,584	9,537,650	8,739,184
Other Financing Uses:					
Operating Transfers Out	(1,592,203)	(1,581,940)	(1,225,937)	(3,320,724)	-1,303,071
Total Expenditures and Other Financing Uses	12,330,177	11,549,811	11,223,521	12,858,374	10,042,255
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(791,882)	913,226	608,409	(790,225)	1,354,389
Fund Balances Beginning of Year	12,061,490	11,269,608	12,182,834	12,791,243	12,001,018
Prior Period Adjustment					2,357,432 ^a
Fund Balances, Restated	12,061,490	11,269,608	12,182,834	12,791,243	14,358,450
Fund Balances End of Year	\$ 11,269,608	12,182,834	12,791,243	12,001,018	15,712,839

1. Includes the following funds: Special Grants, Municipal Parking Lot, Recreation Complex, Water, Sewer, and Public Library

Sources: Audited Financial Statements (2016-2020)

Note: This Schedule Not Audited.

a. Prior Period Adjustments: The City implemented GASB 84 during the year ended December 31, 2020. As such, certain amounts historically reported in the Trust + Agency Fund were moved to the Governmental Funds.

Statement of Revenues, Expenditures and Changes in Fund Balances/Net Assets*
Municipal Lighting Department Enterprise/Proprietary Fund

	Fiscal Year Ending December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Sale of Electricity	\$ 16,499,751	\$ 18,083,277	\$ 21,911,139	\$ 20,505,825	\$ 18,330,464
Use of Money & Property	57,882	47,755	14,090		
Interfund Charges	224,776			226,149	230,113
Other Revenues	103,744	137,783	103,941		
Real Property Taxes		277,641	71,685		
Miscellaneous Income				74,125	69,298
Total Revenues	<u>16,886,153</u>	<u>18,546,456</u>	<u>22,100,855</u>	<u>20,806,099</u>	<u>18,629,875</u>
Expenses:					
Electric and Power	10,843,367	11,051,283	13,253,170	13,640,908	12,184,231
Total Other General Gov. Support	1,778,547	1,892,426	1,930,985	1,857,551	1,826,202
Other Expenses	1,936,063	2,966,665	1,409,448	414,871	1,560,447
Depreciation	2,153,153	2,193,134	2,221,239	2,239,469	2,140,977
Total Expenses	<u>16,711,130</u>	<u>18,103,508</u>	<u>18,814,842</u>	<u>18,152,799</u>	<u>17,711,857</u>
Income (Loss) From Operations	<u>175,023</u>	<u>442,948</u>	<u>3,286,013</u>	<u>2,653,300</u>	<u>918,018</u>
Non-Operating Revenues (Expenses)					
Interest Expense	(337,635)	(323,720)	(297,997)	(218,403)	(140,308)
Contributions in Lieu of Taxes				10,597	258,555
Use of Money and Property				33,084	25,962
Transfer to City for Shared Services	(626,062)	(652,997)	(652,997)	(426,848)	(422,884)
Contributions to Municipality				(2,065,772)	(230,113)
Total Non-Operating Gains (Losses)	<u>(963,697)</u>	<u>(976,717)</u>	<u>(950,994)</u>	<u>(2,667,342)</u>	<u>(508,788)</u>
Net Income or (Loss)	<u>(788,674)</u>	<u>(533,769)</u>	<u>2,335,019</u>	<u>(14,042)</u>	<u>409,230</u>
Retained Earnings - Beginning of Fiscal Year	29,538,402	28,749,728	28,215,959	11,421,612	11,407,829
Prior Period Adjustment			(19,129,368)	259	
Retained Earnings - Beginning of Fiscal Year, Restated	<u>29,538,402</u>	<u>28,749,728</u>	<u>9,086,591</u>	<u>11,421,871</u>	<u>11,407,829</u>
Retained Earnings - End of Year	<u>\$ 28,749,728</u>	<u>\$ 28,215,959</u>	<u>\$ 11,421,610</u>	<u>\$ 11,407,829</u>	<u>\$ 11,817,059</u>

Sources: Audited Financial Statements (2016-2020)

Note: This Schedule Not Audited.

Balance Sheets
Fiscal Year Ending December 31, 2020

	General Fund	Special Revenue
Assets:		
Cash	\$ 1,534,006	\$ 1,815,358
Taxes Receivable: Net	994,032	
Other Receivables	274,441	1,240,048
State & Federal Receivables	1,270,778	1,152
Economic Development Loan		608,286
Due from Other Funds	702,158	42
Due from Other Governments	1,417,483	76,772
Restricted Assets	359,564	12,668,094
Prepaid Expenses	460,787	172,965
Total Assets	\$ 7,013,249	\$ 16,582,717
Liabilities:		
Accounts Payable	\$ 394,930	\$ 170,057
Accrued Liabilities	183,518	87,446
Due to Other Funds	118,621	610,263
Due to Other Governments	398,609	0
Due to Others	204,686	
Total Liabilities	1,300,364	867,766
Deferred Inflows of Resources:		
Deferred Inflows of Resources		2,112
Fund Balances:		
Nonspendable	534,370	637,361
Restricted	359,564	12,668,094
Assigned	351,496	2,695,742
Unassigned	4,467,455	(288,358)
Total Fund Balances	5,712,885	15,712,839
Total Liabilities & Fund Balances	\$ 7,013,249	\$ 16,582,717

Sources: Audited Annual Financial Report (2020)

Note: This Schedule Not Audited.

Balance Sheets

Fiscal Year Ending December 31, 2019

	General Fund	Special Revenue Funds
ASSETS		
Cash	\$ (271,051)	\$ 1,428,782
Taxes Receivable: Net	656,362	
Other Receivables	193,807	1,042,378
State & Federal Receivables	1,273,549	16,439
Economic Development Loan		688,679
Due from Other Funds	2,364,215	2,251,732
Due from Other Governments	1,389,945	705
Restricted Assets	323,177	7,607,073
Prepaid Expenses	<u>503,527</u>	<u>178,132</u>
 Total Assets	 <u>\$ 6,433,532</u>	 <u>\$ 13,213,920</u>
 LIABILITIES AND FUND EQUITY		
Accounts Payable	\$ 475,421	\$ 236,169
Accrued Liabilities	317,567	184,872
Other Liabilities		
Due to Other Funds	1,893,101	789,749
Due to Other Governments	215,245	
Due to Other School Districts		
Deferred Revenues		<u>2,112</u>
 Total Liabilities	 <u>2,901,334</u>	 <u>1,212,902</u>
 FUND BALANCES		
Nonspendable	503,527	601,036
Restricted	323,177	7,607,073
Assigned	443,363	3,853,274
Unassigned	<u>2,262,132</u>	<u>(60,365)</u>
 Total Fund Equity	 <u>3,532,199</u>	 <u>12,001,018</u>
 Total Liabilities & Fund Equity	 <u>\$ 6,433,532</u>	 <u>\$ 13,213,920</u>

Sources: 2019 Audited Annual Financial Report

Note: This Schedule Not Audited.

**Municipal Lighting Department
Statement of Net Assets**

	Fiscal Year Ending December 31				
	2016	2017	2018	2019	2020
Assets:					
Cash	\$ 92,409	\$ 200,020	\$ 187,743	\$ 283,357	\$ 347,603
Accounts Receivable (Net)	1,144,951	1,356,752	1,639,006	1,401,668	1,678,059
Inventories	1,489,851	1,429,514	1,469,926	1,476,789	1,345,793
Prepaid Expenses	339,556	144,983	150,779	151,549	159,564
Restricted Assets (Cash)	2,346,405	3,013,530	2,781,357	2,054,633	2,134,154
Due from Other Funds	210,138	121,988	140,859	234,573	135,754
Fixed Assets (Net)	34,822,338	33,882,621	33,923,370	34,236,896	31,716,468
Deferred Outflows of Resources	1,345,373	662,887	1,194,820	2,365,060	2,413,567
Total Assets	\$ 41,791,021	\$ 40,812,295	\$ 41,487,860	\$ 42,204,525	\$ 39,930,962
Liabilities and Fund Balances:					
Accounts Payable	\$ 1,263,179	\$ 1,922,346	\$ 1,662,145	\$ 1,462,685	\$ 1,329,269
Accrued Liabilities	100,737	94,796	193,253	157,565	85,525
Other Deposits	155,395	265,822	429,909	744,681	649,509
Due to Other Funds	32,171	807	80	6,848	6,458
Other Liabilities	1,265,420	723,341	19,161,208	17,485,022	19,782,653
Bonds Payable-Current					633,388
Bond Payable-Long Term	9,017,165	8,132,061	7,224,803	5,812,527	4,716,398
Bond Anticipation Note					
Deferred Revenues	149,995	155,269	1,394,849	3,611,830	343,080
Other Post Employment Benefits	345,587	611,679			
Compensated Absences	711,644	690,213			567,623
Total Liabilities	13,041,293	12,596,334	30,066,247	29,281,158	28,113,903
Net Assets:					
Retained Earnings	25,742,171	25,750,560	26,698,567	28,424,369	26,366,682
Restricted	435,227	1,011,550	1,049,990	1,963,118	2,037,274
Reserved for Capital Projects	1,911,178	2,001,980	1,731,366	91,515	92,133
Unreserved	661,152	(548,129)	(18,058,311)	(17,555,636)	(16,679,030)
Total Fund Equity	28,749,728	28,215,961	11,421,612	12,923,366	11,817,059
Total Liabilities & Fund Equity	\$ 41,791,021	\$ 40,812,295	\$ 41,487,859	\$ 42,204,524	\$ 39,930,962

Sources: Audited Financial Statements (2016-2020)

Note: This Schedule Not Audited.

Municipal Lighting - Enterprise Utility(EE)

Summary of 2022 Operating Budget by Funds

	Total	General Fund	Recreation Complex	Parking Lot	Water Fund	Sewer Fund	Library Fund	Debt Service Fund	Municipal Lighting
Appropriations:									
Legislative	\$ 63,000	\$ 63,000	\$	\$	\$	\$	\$	\$	\$
Judicial	94,300	94,300							
Executive	194,261	194,261							
Finance	588,249	588,249							
Staff	467,527	467,527							
Shared Services	558,450	558,450							
Special Items	1,040,211	492,949	29,600	151	359,696	150,500	7,315		
Public Safety	8,127,706	8,127,706							
Public Works	1,674,818	1,489,253		185,565					
Economic Assistance	449,971	449,971							
Culture & Recreation	1,381,829	86,800	661,907				633,122		
Home & Community Service	24,939,776	639,258			1,758,627	4,275,083			18,266,808
Employee Benefits	11,003,164	7,523,401	84,364	55,015	700,480	1,068,600	214,586		1,356,718
Inter-Fund Transfers	4,657,053	3,324,504	190,893	141,200	674,548	320,613	5,295		
Debt Service	3,688,055							2,868,688	819,367
Transfer Fund Balance	65,000	65,000							
Total Appropriations	\$ 58,993,370	\$ 24,164,630	\$ 966,764	\$ 381,931	\$ 3,493,351	\$ 5,814,796	\$ 860,318	\$ 2,868,688	\$ 20,442,893
Estimated Revenues:									
Tax Levy	\$ 11,639,250	\$ 10,195,124	\$ 655,664	\$ 62,726	\$	\$	725,736	\$	\$
Real Property Tax Items	222,717	222,717							
Non-Property Tax Items	4,627,303	4,627,303							
Departmental Fees	66,520	66,520							
Public Safety Fees	136,600	136,600							
Health	967,000	967,000							
Transportation	14,000	14,000							
Culture & Recreation	281,000		281,000						
Home & Community Service	29,863,200	710,500			3,475,000	4,959,700			20,718,000
Use of Money & Property	204,250	14,380	30,100	15,445	1,000	142,500	825		
Licenses & Permits	301,225	132,475		168,750					
Fines & Forfeitures	323,950	273,950		50,000					
Minor Sales, Comp Loss, Misc	134,100	107,800			300		26,000		
Inter-Governmental Charges	1,344,798				464,598	880,000	200		
Inter-Fund Revenues	5,007,397	2,012,984			98,725	27,000		2,868,688	
State Aid	3,111,708	3,014,151					97,557		
Federal Aid	15,000	5,000					10,000		
Total Estimated Revenues	58,260,018	22,500,504	966,764	296,921	4,039,623	6,009,200	860,318	2,868,688	20,718,000
Appropriated/ (Surplus) Fund Balances	(520,676)	220,000			(546,272)	(194,404)			
Special Assessments - Parking Lot	85,010			85,010					
Transfers	1,169,018	1,444,126							(275,107)
Total Estimated Revenues & Resources	\$ 58,993,370	\$ 24,164,630	\$ 966,764	\$ 381,931	\$ 3,493,351	\$ 5,814,796	\$ 860,318	\$ 2,868,688	\$ 20,442,893

Source: Adopted Budget of the City

Summary of 2021 Operating Budget by Funds

	Total	General Fund	Recreation Complex	Parking Lot	Water Fund	Sewer Fund	Library Fund	Debt Service Fund	Municipal Lighting
Appropriations:									
General Government Support	\$ 2,776,248	\$ 2,240,437	\$ 22,500		\$ 358,089	\$ 152,042	\$ 3,180		\$
Public Safety	7,384,377	7,383,719					658		
Public Works	1,489,517	1,329,624		159,893					
Economic Assistance	355,853	355,853							
Culture & Recreation	863,742	89,350	252,657				521,735		
Home and Community Services	24,629,583	570,705			1,751,820	4,086,261			18,220,797
Employee Benefits	11,496,871	7,687,164	75,642	54,892	777,572	1,178,666	236,476		1,486,459
Interfund Transfers	4,376,141	3,006,866	194,084	140,635	690,736	338,264	5,556		
Debt Service	3,793,623							2,956,000	837,623
Transfer Risk Retention									
Total Appropriations	\$ 57,165,955	\$ 22,663,718	\$ 544,883	\$ 355,420	\$ 3,578,217	\$ 5,755,233	\$ 767,605	\$ 2,956,000	\$ 20,544,879
Estimated Revenues:									
Tax Levy	\$ 10,442,547	\$ 10,442,547							
Real Property Tax Items	204,343	204,343							
Non-Property Tax Items	4,195,772	4,195,772							
Departmental Fees	74,020	74,020							
Public Safety Fees	127,700	127,700							
Health	967,000	967,000							
Transportation	9,500	9,500							
Culture & Recreation	222,120		222,120						
Home & Community Service	29,849,871	710,500			3,613,374	4,829,849			20,696,148
Use of Money & Property	202,510	8,865		15,845	2,850	142,500	2,450		30,000
Licenses & Permits	277,890	277,890							
Fines & Forfeitures	208,089	174,089		30,000			4,000		
Minor Sales, Comp Loss, Misc	105,200	83,100			100		22,000		
Intergovernmental Charges	1,234,598				464,598	770,000			
Interfund Revenues	5,080,358	1,993,734			103,624	27,000		2,956,000	
State Aid	2,548,132	2,467,687					80,445		
Federal Aid	15,000	5,000					10,000		
Total Estimated Revenues	55,764,650	21,741,747	222,120	45,845	4,184,546	5,769,349	118,895	2,956,000	20,726,148
Appropriated Fund Balances	(527,647)		114,678	224,565	(606,329)	(14,116)	(65,176)		(181,269)
Special Assessments	85,010			85,010					
Transfers	1,843,942	921,971	208,085				713,886		
Total Estimated Revenues & Resources	\$ 57,165,955	\$ 22,663,718	\$ 544,883	\$ 355,420	\$ 3,578,217	\$ 5,755,233	\$ 767,605	\$ 2,956,000	\$ 20,544,879

Source: Adopted Budget of the City

Tax Levy and Collection Record and Tax Rates

Fiscal Year Ending December 31:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City Taxes	10,902,264	11,407,690	11,665,129	11,570,828	11,411,727
County Taxes	<u>5,527,598</u>	<u>5,671,886</u>	<u>5,698,126</u>	<u>5,873,303</u>	<u>5,542,614</u>
Total Taxes on Roll	<u>16,429,862</u>	<u>17,079,576</u>	<u>17,363,255</u>	<u>17,444,131</u>	<u>16,954,341</u>
Relevied:					
School Taxes		1,324,799	1,295,232	1,201,970	1,140,833
Water & Sewer Rents	24,712	17,979	19,216	22,713	58,961
General Miscellaneous	<u>73,443</u>	<u>91,222</u>	<u>86,971</u>	<u>85,010</u>	<u>85,010</u>
Total Tax Roll Receivable	16,528,017	18,513,576	18,764,674	18,753,824	18,239,145
Cancellations During Year					
Net Taxes Receivable	16,599,527	18,513,576	18,764,674	18,753,824	18,239,145
Collected During Year	<u>16,338,331</u>	<u>17,823,542</u>	<u>18,437,312</u>	<u>18,488,728</u>	<u>17,979,393</u>
Uncollected End of Year	<u>261,196</u>	<u>690,034</u>	<u>327,362</u>	<u>265,096</u>	<u>259,752</u>
Per Cent Uncollected	1.57%	3.73%	1.74%	1.41%	1.42%
Tax Rates per \$1,000 of Assessed Valuation:					
City Taxes	11.66	11.99	12.20	11.65	11.37
County Taxes	5.92	5.96	5.94	5.92	5.53

Source: Tax Records of the County

CAPITAL IMPROVEMENT PLAN 2022 - 2026

Approved						
Description of Project	2022	2023	2024	2025	2026	5 Year Total
Clinton County Compost Facility	0	0	0	0	0	0
Water Pollution Control Plant	4,650,000	10,950,000	1,050,000	550,000	50,000	17,250,000
Solid Waste Landfill	0	0	0	0	0	0
Sanitary Sewer System	375,000	3,375,000	600,000	100,000	100,000	4,550,000
Storm Sewer System	150,000	0	0	0	250,000	400,000
Water Filtration Plant	450,000	850,000	300,000	1,200,000	50,000	2,850,000
Water Source of Supply	4,450,000	4,350,000	7,550,000	11,850,000	1,050,000	29,250,000
Water Distribution System	1,160,000	1,460,000	994,000	745,000	1,160,000	5,519,000
Street Resurfacing & Repair	714,500	7,176,000	647,000	520,000	470,000	9,527,500
Bridge & Riverfront Maintenance		0	0	0	0	0
Public Service Buildings	750,000	470,000	340,000	300,000	300,000	2,160,000
Recreation Complex Facilities	845,000	4,755,000	3,275,000	0	0	8,875,000
Recreation Dept. Facilities	0	0	0	0	0	0
Downtown Improvements	230,000	2,070,000	400,000	0	0	2,700,000
Public Service Equipment	1,787,000	870,000	510,000	285,000	485,000	3,937,000
Municipal Lighting Department	1,675,000	2,285,000	2,185,000	5,705,000	7,490,000	19,340,000
TOTAL	<u>17,236,500</u>	<u>38,611,000</u>	<u>17,851,000</u>	<u>21,255,000</u>	<u>11,405,000</u>	<u>106,358,500</u>

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

March 15, 2022

City of Plattsburgh,
County of Clinton,
State of New York

Re: City of Plattsburgh, Clinton County, New York
\$2,706,397 Bond Anticipation Note, 2022

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an \$2,706,397 Bond Anticipation Note, 2022 (the "Obligation"), of the City of Plattsburgh, Clinton County, New York (the "Obligor"), dated March 15, 2022, numbered _____, of the denomination of \$ _____, bearing interest at the rate of _____ % per annum, payable at maturity, and maturing November 10, 2022.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/es

APPENDIX C

AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

CITY OF PLATTSBURGH

FINANCIAL REPORT

DECEMBER 31, 2020

CONTENTS

Independent Auditor's Report	1-2
Management's Discussion and Analysis (Unaudited)	3-16
Basic Financial Statements	
Government-wide Financial Statements:	Exhibit
Statement of Net Position	A 17-18
Statement of Activities	B 19-20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C 21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	D 23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	24
Combining Balance Sheet - Special Revenue Funds	E 25
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	F 26
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- General Fund	G 27
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- Special Revenue Funds	H 28
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- Debt Service Fund	I 29
Statement of Net Position - Proprietary Funds	J 30
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	K 31
Statement of Cash Flows - Proprietary Fund	L 32
Statement of Fiduciary Net Position	M 33
Statement of Changes in Fiduciary Net Position	N 34
Notes to Financial Statements	35-66
Other Supplemental Information	
Schedule of City's Proportionate Share of the Net Pension Liability- NYSERS	67
Schedule of the City's Contributions- NYSERS	68
Schedule of City's Proportionate Share of the Net Pension Liability- NYSPFRS	69
Schedule of the City's Contributions- NYSPFRS	70
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	71
Compliance Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance With Government Auditing Standards	72-73
Schedule of findings and responses	74

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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, 2020, 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, 2020, 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 71) and Schedules of City's Proportionate Share of the Net Pension Liability – ERS and PFRS, and Schedules of the City's Contributions – ERS and PFRS (pages 67-70) be presented to supplement the basic financial statements. Such information, 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 July 12, 2021, on our consideration of the City of Plattsburgh New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Plattsburgh New York's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

July 12, 2021

The City of Plattsburgh offers this discussion and analysis in conjunction with the audit of financial statements for the fiscal year ended December 31, 2020.

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

1. FINANCIAL HIGHLIGHTS

Total liabilities and deferred inflows of the City exceeded total assets and deferred outflows by \$27,897. The net position of business-type activities was \$11,817 and net position of governmental activities was \$(39,714).

For the year, total revenues for the City were \$52,263 while total expenses were \$50,196. The net of the revenues and expenses leaves the City with a net profit of \$2,067.

At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$23,398, an increase of \$4,913 from the prior year.

At the end of the year, total unassigned fund balance for the general fund was \$4,467, up \$2,278 from the prior year.

Total outstanding long-term indebtedness for the City at the end of the year was \$24,421, down from \$20,697 at the end of 2019.

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, 2020, the City of Plattsburgh's liabilities exceeded assets by \$27,897.

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

City of Plattsburgh Net Position
(000's Omitted)

	Governmental activities		Business-type activities		Total Primary Government	
	2020	Restated 2019	2020	2019	2020	Restated 2019
Current Assets	\$ 25,005	\$ 22,309	\$ 5,795	\$ 5,596	\$ 30,800	\$ 27,905
Noncurrent Assets	107,543	103,311	31,716	32,721	139,259	136,032
Total Assets	132,548	125,620	37,511	38,317	170,059	163,937
Deferred Outflows of Resources						
Pensions	11,110	4,087	1,451	507	12,561	4,594
Other post employment benefits	17,400	19,565	963	1,858	18,363	21,423
Defeasement loss	61	77	-	-	61	77
Total Deferred Outflows of resources	28,571	23,729	2,414	2,365	30,985	26,094
Total assets and deferred outflow of resources	\$161,119	\$ 149,349	\$ 39,925	\$ 40,682	\$201,044	\$190,031
Current Liabilities	\$ 4,092	\$ 3,370	\$ 2,698	\$ 3,222	\$ 6,790	\$ 6,592
Noncurrent Liabilities	186,867	156,201	25,067	22,931	211,934	179,132
Total Liabilities	190,959	159,571	27,765	26,153	218,724	185,724
Deferred Inflows of Resources	2	2	-	-	2	2
Pensions	621	1,667	83	220	704	1,887
Other post employment benefits	9,251	29,481	260	2,901	9,511	32,382
Total Deferred Inflows of resources	9,874	31,150	343	3,121	10,217	34,271
Net Position:						
Net investment in capital assets	87,565	87,767	26,367	26,418	113,932	114,185
Restricted	14,826	13,273	2,129	2,055	16,955	15,328
Unrestricted	(142,105)	(142,412)	(16,679)	(17,065)	(158,784)	(159,477)
Total Net Position	(39,714)	(41,372)	11,817	11,408	(27,897)	(29,964)
Total Liabilities and Net Position	\$161,119	\$ 149,349	\$ 39,925	\$ 40,682	\$201,044	\$190,031

An additional portion of the City's total assets, \$16,955, 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, 2020 was \$(39,714). The majority of the net position, \$87,565, is tied up in net investment of capital assets.

Restricted assets for the end of the year were \$14,826. Restricted assets include, but are not limited to: capital reserves, debt reserves, water and sewer capital reserves, and asset forfeitures. The restricted assets were higher at the end of the year due to the funding of some water reserves and sewer reserves.

Unrestricted assets at year-end for governmental activities were negative \$142,105, an increase of \$307 from the prior year.

- **Business-type activities**

The total net position of our business-type activities was \$11,817 at year-end. Like the governmental-type activities, capital assets net of related debt were \$26,367 and made up the majority of the net position.

Restricted assets at year-end were \$2,129 and were primarily made up of the capital projects reserve \$92, debt reserve \$218 and other reserves \$1,819. Unrestricted net position was \$(16,679).

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on pages 19-20. 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	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 10,315	\$ 11,020	\$18,331	\$20,506	\$ 28,646	\$ 31,526
Operating Grants and contributions	65	41	-	-	65	41
Capital Grants and contributions	1,122	2,623	-	-	1,122	2,623
General revenues:						
Property Taxes	11,686	11,764	-	-	11,686	11,764
Sales and Other Taxes	4,596	4,690	-	-	4,596	4,690
Government Aid	2,593	3,228	-	-	2,593	3,228
Other	2,971	3,147	584	344	3,555	3,491
Total Revenues	33,348	36,513	18,915	20,850	52,263	57,363
Expenses						
General Government	3,031	3,296	-	-	3,031	3,296
Public Safety	7,702	7,757	-	-	7,702	7,757
Transportation	2,554	2,365	-	-	2,554	2,365
Economic assistance & opportunity	489	610	-	-	489	610
Culture and recreation	1,097	1,956	-	-	1,097	1,956
Home and community	7,133	7,733	-	-	7,133	7,733
Employee Benefits	9,982	3,172	-	-	9,982	3,172
Debt Service	355	364	140	218	495	582
Municipal Lighting	-	-	17,713	18,153	17,713	18,153
Total Expenses	32,343	27,253	17,853	18,371	50,196	45,624
Excess of revenues over expenses	1,005	9,260	1,062	2,479	2,067	11,739
Transfers	653	2,493	(653)	(2,493)	-	-
Increase (decrease) in Net Position	1,658	11,753	409	(14)	2,067	11,739
Net Position - beginning	(41,372)	(55,516)	11,408	11,422	(29,964)	(44,094)
Prior period adjustment	-	2,391	-	-	-	2,391
Net Position - ending	\$ (39,714)	\$ (41,372)	\$11,817	\$11,408	\$ (27,897)	\$ (29,964)

The City's total revenues for the 2020 year were \$52,263 versus total expenses of \$50,196. For the year, the City's net position increased by \$2,067 to bring total net position of the primary government of the City to \$(27,897). 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 \$33,348 while total expenses were \$32,343 which yielded an increase in net position of \$1,658. 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 35.0% of the total revenues while sales taxes were 13.8% of revenues. Revenues were down from the prior year by \$3,165.

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 \$3,925 (51.0%) and \$3,292 (42.7%), of the total for public safety of \$7,702, respectively.

Home and community total expenses for the year were \$7,133. Costs associated with operating the water fund were \$1,600 or 22.4% of the total while the sewer fund costs were \$3,327 or 46.6% of the total.

Business-type Activities

Revenues for the Municipal Lighting Department for the year were \$18,915, while total expenses for the operation were \$17,853. The resulting total net position for the business-type activities for the year increased by \$409.

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 \$2,175 or 10.6%.

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 2020, the total cost of purchased power decreased by \$440 or 2.4%.

THE CITY'S FUNDS:

Governmental Funds

- 1) General fund – The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$4,467 and the total fund equity was \$5,713. 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, 2020, unassigned fund balances represent 21.0% of total fund expenditures (including transfers out), while total fund balance was 26.9% of the same amount. The total fund balance of the City's General Fund increased by \$2,147 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 \$669 is reserved for the repayment of debt. The decrease in total fund balance from year-to-year was \$155.
- 3) Capital Projects Fund – The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases, including projects related to business-type activities. At the end of the current fiscal year, the fund balance was \$1,303.

- 4) Special revenue fund – The special revenue fund for the City is made up of the following individual funds: Community Development Fund, Parking Lot Fund, Recreation Complex Fund, Water Fund, Sewer Fund, and Library Fund. The Community Development Fund is a special revenue fund used to account for the programs and projects primarily funded by the U.S. Department of Housing and Urban Development as well as other federal and state grant programs. At the end of the current fiscal year, the total special revenue fund balance was \$15,713. Components of the December 31, 2020 fund balance are as follows:

	<u>2020</u>	<u>2019</u>
Nonspendable		
Prepays	\$ 173	\$ 178
Long-term loans & receivable	464	423
Restricted		
Capital reserve	10,637	5,753
Other restricted	2,031	1,854
Assigned		
Encumbrances	1	2
Unappropriated fund balance	2,695	3,851
Unassigned	<u>(288)</u>	<u>(60)</u>
Total Fund Balances	<u>\$ 15,713</u>	<u>\$ 12,001</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, 2020, fund balance was \$11,817, up \$409 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 2021 budget included a 1.47% property tax levy decrease including a .97% increase in the total assessed value of the City properties with a corresponding decrease of 2.41% 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 \$1,795 compared to an adopted budget with an excess of \$688.

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 2020, the General fund inter-fund transfers were as follows (in whole dollars):

Library Fund	\$ 751,458
Recreation Fund	301,219
Water Fund	-
Sewer Fund	-
Debt Service	1,604,657
Capital Projects Fund	91,937
	<u>\$ 2,749,271</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, 2020 amounted to \$139,260 (net of accumulated depreciation). The amount as of December 31, 2019 was \$136,032 or an increase of \$3,228. The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress (CIP).

Major capital asset events during the current fiscal year included:

- Total capital expenditure additions, net of disposals of \$322, for governmental activities for the year were \$8,225.
- Depreciation expense for the year was \$4,316. Accumulated Depreciation decreased by \$322 for disposals.

City of Plattsburgh Capital Assets
(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 22,755	\$ 22,755	\$ 704	\$ 704	\$ 23,459	\$ 23,459
Infrastructure	98,139	89,907	2,303	2,188	100,442	92,095
Buildings & Improvements	55,327	55,327	66,815	66,111	122,142	121,438
Machinery & Equipment	20,877	15,124	11,383	11,029	32,260	26,153
Construction in Progress	1,774	7,533	46	152	1,820	7,685
Total	198,872	190,646	81,251	80,184	280,123	270,830
Less: Acc. Depreciation	(91,329)	(87,335)	(49,535)	(47,463)	(140,864)	(134,798)
Net Capital Assets	\$ 107,543	\$ 103,311	\$ 31,716	\$ 32,721	\$ 139,259	\$ 136,032

Long-term Debt

For the year, total debt increased by \$3,724 or 18.0% to \$24,421.

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 balance at 1/1/20, 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.

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	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 19,466	\$ 14,885	\$ 4,955	\$ 5,812	\$ 24,421	\$ 20,697

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 river walk 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 with completion slated for Spring of 2021.

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 harbor side, two available real properties, one residential and one commercial, City water view 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. During the operations phase, annual payments of \$450K accrues through employment and income taxes, but this includes shared revenue between the state and local governments of \$238K on property, motor vehicles, and sales tax. The proposed project will directly invest in community vitality and revitalization through construction activities and operational actions that preserve an important historic structure, expand physical health care services and facilities with growing demand, and provide essential health care supportive services in a centralized location near the hospital, colleges, essential services, and county seat.

County sales tax, which makes up a significant portion of the general fund revenue, is also expected to be enhanced by virtue of the above developments.

7. REQUEST FOR INFORMATION

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

CITY OF PLATTSBURGH

Exhibit A

**STATEMENT OF NET POSITION
December 31, 2020**

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Current assets			
Cash and equivalents	\$ 4,717,783	\$ 347,603	\$ 5,065,386
Restricted assets-cash and cash in time deposits	13,697,038	2,134,154	15,831,192
Taxes receivable, net of allowance of \$56,874	994,032	-	994,032
Other receivable	1,687,821	1,678,059	3,365,880
State and federal receivables	1,271,930	-	1,271,930
Economic development loans, net of allowance of \$128,365	608,286	-	608,286
Due from other governments	1,494,255	-	1,494,255
Internal balances	(100,267)	129,296	29,029
Inventories	-	1,345,793	1,345,793
Prepaid expenses	633,752	159,564	793,316
Total current assets	<u>25,004,630</u>	<u>5,794,469</u>	<u>30,799,099</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>107,543,119</u>	<u>31,716,468</u>	<u>139,259,587</u>
Total noncurrent assets	<u>107,543,119</u>	<u>31,716,468</u>	<u>139,259,587</u>
Total assets	<u>132,547,749</u>	<u>37,510,937</u>	<u>170,058,686</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	11,110,304	1,450,727	12,561,031
Other post employment benefits	17,399,608	962,840	18,362,448
Defeasement loss	61,086	-	61,086
Total deferred outflows of resources	<u>28,570,998</u>	<u>2,413,567</u>	<u>30,984,565</u>
Total assets and deferred outflow of resources	<u>\$ 161,118,747</u>	<u>\$ 39,924,504</u>	<u>\$ 201,043,251</u>

LIABILITIES

Current liabilities

Accounts payable	\$ 730,560	\$ 1,329,269	\$ 2,059,829
Accrued liabilities	322,738	85,525	408,263
Due to other governments	398,609	-	398,609
Due to others	204,686	-	204,686
Customer deposits	-	649,509	649,509
Bonds outstanding - current portion	<u>2,435,131</u>	<u>633,388</u>	<u>3,068,519</u>

Total current liabilities 4,091,724 2,697,691 6,789,415

Noncurrent liabilities

Bonds outstanding, less current portion	17,543,260	4,716,398	22,259,658
Compensated absences	3,053,438	567,623	3,621,061
Other post employment benefits	150,987,468	17,735,324	168,722,792
Net pension liability - proportionate share	<u>15,282,535</u>	<u>2,047,329</u>	<u>17,329,864</u>

Total noncurrent liabilities 186,866,701 25,066,674 211,933,375

Total liabilities 190,958,425 27,764,365 218,722,790

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	2,112	-	2,112
Pensions	620,910	83,341	704,251
Other post employment benefits	<u>9,251,033</u>	<u>259,739</u>	<u>9,510,772</u>
Total deferred inflows of resources	<u>9,874,055</u>	<u>343,080</u>	<u>10,217,135</u>

NET POSITION

Net investment in capital assets	87,564,728	26,366,682	113,931,410
Restricted	14,826,300	2,129,407	16,955,707
Unrestricted	<u>(142,104,761)</u>	<u>(16,679,030)</u>	<u>(158,783,791)</u>
Total net position	<u>(39,713,733)</u>	<u>11,817,059</u>	<u>(27,896,674)</u>

Total liabilities, deferred inflows
and net position \$ 161,118,747 \$ 39,924,504 \$ 201,043,251

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,031,064	\$ 133,753	\$ -	\$ -
Public safety	7,701,653	1,112,314	31,910	-
Transportation	2,554,528	13,808	-	776,581
Economic assistance and opportunity	488,880	-	21,500	-
Culture and recreation	1,097,442	119,714	11,406	345,035
Home and community services	7,132,671	8,935,384	-	-
Employee benefits	9,981,898	-	-	-
Debt service	355,164	-	-	-
Total governmental activities	<u>32,343,300</u>	<u>10,314,973</u>	<u>64,816</u>	<u>1,121,616</u>
Business-type activities:				
Municipal Lighting	<u>17,852,165</u>	<u>18,330,464</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>17,852,165</u>	<u>18,330,464</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 50,195,465</u>	<u>\$ 28,645,437</u>	<u>\$ 64,816</u>	<u>\$ 1,121,616</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 (note 18)
Net assets, ending

See accompanying notes and independent auditor's report.

Exhibit B

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,897,311)	\$ -	\$ (2,897,311)
(6,557,429)	-	(6,557,429)
(1,764,139)	-	(1,764,139)
(467,380)	-	(467,380)
(621,287)	-	(621,287)
1,802,713	-	1,802,713
(9,981,898)	-	(9,981,898)
(355,164)	-	(355,164)
<u>(20,841,895)</u>	<u>-</u>	<u>(20,841,895)</u>
-	478,299	478,299
<u>-</u>	<u>478,299</u>	<u>478,299</u>
<u>(20,841,895)</u>	<u>478,299</u>	<u>(20,363,596)</u>
11,686,231	-	11,686,231
247,333	258,555	505,888
4,596,316	-	4,596,316
157,024	25,962	182,986
127,106	-	127,106
1,141,800	-	1,141,800
333,289	-	333,289
69,884	69,298	139,182
895,394	230,113	1,125,507
2,592,639	-	2,592,639
652,997	(652,997)	-
<u>22,500,013</u>	<u>(69,069)</u>	<u>22,430,944</u>
1,658,118	409,230	2,067,348
(43,763,008)	11,407,829	(32,355,179)
<u>2,391,157</u>	<u>-</u>	<u>2,391,157</u>
<u>\$ (39,713,733)</u>	<u>\$ 11,817,059</u>	<u>\$ (27,896,674)</u>

See accompanying notes and independent auditor's report.

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

ASSETS	General	Special Revenue	Capital Projects	Debt Service	Total
Cash and equivalents	\$ 1,534,006	\$ 1,815,358	\$ 1,368,419	\$ -	\$ 4,717,783
Taxes receivable, net of allowance of \$56,874	994,032	-	-	-	994,032
Other receivable	274,441	1,240,048	173,332	-	1,687,821
State and federal receivables	1,270,778	1,152	-	-	1,271,930
Economic development loans, net of allowance of \$128,365	-	608,286	-	-	608,286
Due from other funds	702,158	42	-	-	702,200
Due from other governments	1,417,483	76,772	-	-	1,494,255
Restricted assets-cash and cash in time deposits	359,564	12,668,094	-	669,380	13,697,038
Prepaid expenses	460,787	172,965	-	-	633,752
Total assets	\$ 7,013,249	\$ 16,582,717	\$ 1,541,751	\$ 669,380	\$ 25,807,097
LIABILITIES					
Accounts payable	\$ 394,930	\$ 170,057	\$ 165,573	\$ -	\$ 730,560
Accrued liabilities	183,518	87,446	-	-	270,964
Due to other funds	118,621	610,263	73,583	-	802,467
Due to other governments	398,609	-	-	-	398,609
Due to others	204,686	-	-	-	204,686
Total liabilities	1,300,364	867,766	239,156	-	2,407,286
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources	-	2,112	-	-	2,112
FUND BALANCES					
Nonspendable:					
Prepays	460,787	172,965	-	-	633,752
Long term loans & receivable	73,583	464,396	173,333	-	711,312
Restricted:					
Capital projects	-	10,636,996	1,129,262	-	11,766,258
Retirement of LTD	-	126,118	-	669,380	795,498
Aerial fire equip reserve	157,751	-	-	-	157,751
Asset seizure reserve	168,088	-	-	-	168,088
Clyde Lewis aircraft park reserve	33,725	-	-	-	33,725
Other restricted	-	1,904,980	-	-	1,904,980
Assigned:					
Encumbrances (Note 14)	351,496	1,018	-	-	352,514
Appropriated fund balance					
Designated for subsequent year's expenditures	-	-	-	-	-
Unappropriated fund balance	-	2,694,724	-	-	2,694,724
Unassigned	4,467,455	(288,358)	-	-	4,179,097
Total fund balances	5,712,885	15,712,839	1,302,595	669,380	23,397,699
Total liabilities, deferred inflows and fund balances	\$ 7,013,249	\$ 16,582,717	\$ 1,541,751	\$ 669,380	\$ 25,807,097

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, 2020**

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

Total fund balance - governmental funds	\$ 23,397,699
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	107,543,119
Deferred outflows:	
Pensions	11,110,304
Other post employment benefits	17,399,608
Defeasement loss	61,086
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	(19,465,448)
Bond premium	(512,943)
Compensated absences	(3,053,438)
Other post employment benefits	(150,987,468)
Net pension liability	(15,282,535)
Accrued bond interest is reflected in the statement of net position but not in the governmental funds.	(51,774)
Deferred inflows:	
Pensions	(620,910)
Other post employment benefits	(9,251,033)
Net position of governmental activities	<u>\$ (39,713,733)</u>

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020**

	General	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
Revenues					
Real property taxes	\$ 11,601,221	\$ 85,010	\$ -	\$ -	\$ 11,686,231
Real property tax items	247,333	-	-	-	247,333
Non-property tax items	4,596,316	-	-	-	4,596,316
Departmental income	1,910,806	8,364,927	-	-	10,275,733
Intergovernmental charges	-	1,141,800	-	-	1,141,800
Use of money and property	8,251	124,005	24,192	3,270	159,718
Licenses and permits	67,343	-	-	-	67,343
Fines and forfeitures	99,003	-	-	-	99,003
Sales of property & compensation for loss	213,523	119,766	-	-	333,289
Miscellaneous local sources	64,468	24,222	-	-	88,690
Interfund	767,598	127,796	-	-	895,394
State aid	2,592,639	345,035	787,697	-	3,725,371
Federal aid	31,910	11,406	(11,116)	-	32,200
Total revenues	22,200,411	10,343,967	800,773	3,270	33,348,421
Expenditures					
General governmental support	1,872,450	510,610	-	-	2,383,060
Public safety	7,529,594	-	-	-	7,529,594
Transportation	1,117,680	86,690	2,621,405	-	3,825,775
Economic assistance and opportunity	462,895	-	-	-	462,895
Culture and recreation	42,842	786,080	406	-	829,328
Home and community services	500,203	4,989,344	5,718,139	-	11,207,686
Employee benefits	6,989,241	2,366,460	-	-	9,355,701
Debt service	-	-	-	2,374,568	2,374,568
Total expenditures	18,514,905	8,739,184	8,339,950	2,374,568	37,968,607
Excess (deficit) of revenues over (under) expenditures	3,685,506	1,604,783	(7,539,177)	(2,371,298)	(4,620,186)
Other financing sources (uses)					
Operating transfers in	1,210,727	1,052,677	225,271	2,216,664	4,705,339
Operating transfers out	(2,749,271)	(1,303,071)	-	-	(4,052,342)
Bond proceeds	-	-	6,488,519	-	6,488,519
Total other financing sources (uses)	(1,538,544)	(250,394)	6,713,790	2,216,664	7,141,516
Net change in fund balances	2,146,962	1,354,389	(825,387)	(154,634)	2,521,330
Fund Balances, Beginning of Year	3,532,198	12,001,018	2,127,982	824,014	18,485,212
Prior Period Adjustment (note 18)	33,725	2,357,432	-	-	2,391,157
Fund Balances, End of Year	\$ 5,712,885	\$ 15,712,839	\$ 1,302,595	\$ 669,380	\$ 23,397,699

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, 2020**

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

Net change in fund balances - total governmental funds \$ 2,521,330

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	8,547,604
Depreciation expense	(4,315,504)

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	1,907,666
Amortization of bond premium	146,875
Amortization of defeasement loss	(15,448)
Proceeds of issuance of bonds	(6,488,519)

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

Compensated absences used exceeded the amount earned during the year	225,881
Other post employment benefits used exceeded the amount earned during the year	2,242,204
Accrued bond interest	(19,689)

(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	(3,094,282)
------------------------------	-------------

Change in net position of governmental activities	\$ 1,658,118
---	--------------

CITY OF PLATTSBURGH

Exhibit E

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 2020

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total Special Revenue
ASSETS							
Cash	\$ 218,442	\$ 85,496	\$ -	\$ 109,839	\$ 1,166,651	\$ 234,930	\$ 1,815,358
Other receivables	2,112	18,490	6,557	442,063	766,523	4,303	1,240,048
Prepaid expenses	-	2,300	8,201	52,750	91,932	17,782	172,965
Economic development loans, net of allowance of \$128,365	608,286	-	-	-	-	-	608,286
Due from other funds	-	-	-	42	-	-	42
Due from other governments	-	-	-	-	-	76,772	76,772
Restricted assets - cash	1,904,980	-	-	247,609	10,060,342	455,163	12,668,094
State & federal receivables	1,152	-	-	-	-	-	1,152
Total assets	\$ 2,734,972	\$ 106,286	\$ 14,758	\$ 852,303	\$ 12,085,448	\$ 788,950	\$ 16,582,717
LIABILITIES							
Accounts payable	\$ 4,721	\$ 1,202	\$ 15,387	\$ 33,153	\$ 102,897	\$ 12,697	\$ 170,057
Accrued liabilities	-	2,424	47	27,925	44,622	12,428	87,446
Due to other funds	-	-	279,481	153,714	177,068	-	610,263
Total liabilities	4,721	3,626	294,915	214,792	324,587	25,125	867,766
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources	2,112	-	-	-	-	-	2,112
FUND BALANCES							
Nonspendable:							
Prepays	-	2,300	8,201	52,750	91,932	17,782	172,965
Long term loans & receivable	464,396	-	-	-	-	-	464,396
Restricted:							
Capital reserve	-	-	-	121,491	10,060,342	455,163	10,636,996
Retirement of LTD	-	-	-	126,118	-	-	126,118
Other restricted	1,904,980	-	-	-	-	-	1,904,980
Assigned:							
Encumbrances (Note 15)	-	-	-	509	509	-	1,018
Unappropriated fund balance	358,763	100,360	-	336,643	1,608,078	290,880	2,694,724
Unassigned	-	-	(288,358)	-	-	-	(288,358)
Total fund balances	2,728,139	102,660	(280,157)	637,511	11,760,861	763,825	15,712,839
Total liabilities and fund balances	\$ 2,734,972	\$ 106,286	\$ 14,758	\$ 852,303	\$ 12,085,448	\$ 788,950	\$ 16,582,717

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, 2020**

	Special Grants	Parking Authority	Recreation	Water	Sewer	Library	Total Special Revenue
Revenues							
Real property taxes	\$ -	\$ 85,010	\$ -	\$ -	\$ -	\$ -	\$ 85,010
Departmental income	-	28,103	117,872	3,137,791	5,079,319	1,842	8,364,927
Intergovernmental charges	-	-	-	304,153	837,647	-	1,141,800
Use of money and property	29,795	16,581	5,149	1,026	68,275	3,179	124,005
Sales of property and compensation for loss	-	-	1,112	-	116,289	2,365	119,766
Miscellaneous local sources	-	-	-	508	-	23,714	24,222
Interfund Revenues	-	-	-	108,206	19,590	-	127,796
State aid	-	-	-	-	-	345,035	345,035
Federal aid	-	-	-	-	-	11,406	11,406
Total revenues	29,795	129,694	124,133	3,551,684	6,121,120	387,541	10,343,967
Expenditures							
General governmental support	-	-	31,916	324,518	151,069	3,107	510,610
Transportation	-	86,690	-	-	-	-	86,690
Culture and recreation	-	-	291,611	-	-	494,469	786,080
Home and community services	62,895	-	-	1,599,583	3,326,866	-	4,989,344
Employee benefits	-	45,967	142,050	743,748	1,178,016	256,679	2,366,460
Total expenditures	62,895	132,657	465,577	2,667,849	4,655,951	754,255	8,739,184
Excess (deficit) of revenues over (under) expenditures	(33,100)	(2,963)	(341,444)	883,835	1,465,169	(366,714)	1,604,783
Other financing sources (uses)							
Operating transfers in	-	-	301,219	-	-	751,458	1,052,677
Operating transfers out	-	(1,605)	(198,690)	(666,305)	(430,673)	(5,798)	(1,303,071)
Total other financing sources (uses)	-	(1,605)	102,529	(666,305)	(430,673)	745,660	(250,394)
Net change in fund balances	\$ (33,100)	\$ (4,568)	\$ (238,915)	\$ 217,530	\$ 1,034,496	\$ 378,946	\$ 1,354,389

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, 2020**

	<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	\$ 11,568,387	\$ 11,570,828	\$ 11,601,221	\$ 30,393
Real property tax items	213,344	213,344	247,333	33,989
Non-property tax items	4,552,000	3,483,250	4,596,316	1,113,066
Departmental income	1,861,720	1,861,720	1,910,806	49,086
Use of money and property	11,695	11,695	8,251	(3,444)
Licenses and permits	253,211	126,605	67,343	(59,262)
Fines and forfeitures	246,087	259,687	99,003	(160,684)
Sales of property and compensation for loss	40,500	47,206	213,523	166,317
Miscellaneous local sources	72,600	55,821	64,468	8,647
Interfund	807,750	807,750	767,598	(40,152)
State aid	2,976,680	2,439,826	2,592,639	152,813
Federal aid	5,000	5,000	31,910	26,910
Total revenues	22,608,974	20,882,732	22,200,411	1,317,679
Expenditures				
General governmental support	2,352,152	2,246,825	1,966,590	280,235
Public safety	7,844,706	8,207,976	7,533,631	674,345
Transportation	1,303,220	1,339,081	1,122,884	216,197
Economic assistance and opportunity	326,131	758,485	709,666	48,819
Culture and recreation	215,481	97,481	42,842	54,639
Home and community services	593,206	623,805	501,547	122,258
Employee benefits	7,692,912	8,829,069	6,989,241	1,839,828
Total expenditures	20,327,808	22,102,722	18,866,401	3,236,321
Excess (deficit) of revenues over (under) expenditures	2,281,166	(1,219,990)	3,334,010	4,554,000
Other financing sources (uses)				
Operating transfers in	1,185,984	1,185,984	1,210,727	24,743
Operating transfers out	(2,778,834)	(2,778,834)	(2,749,271)	29,563
Total other financing sources (uses)	(1,592,850)	(1,592,850)	(1,538,544)	54,306
Net Change in Fund Balance	\$ 688,316	\$ (2,812,840)	\$ 1,795,466	\$ 4,608,306

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, 2020**

	<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	9,113,504	9,005,504	8,364,927	(640,577)
Intergovernmental charges	1,103,000	1,103,000	1,141,800	38,800
Use of money and property	165,595	165,595	94,210	(71,385)
Sales of property and compensation for loss	26,100	26,100	119,766	93,666
Miscellaneous local sources	3,200	3,200	24,222	21,022
Interfund revenues	106,725	106,725	127,796	21,071
State aid	197,260	197,260	345,035	147,775
Federal aid	5,670	5,670	11,406	5,736
Total revenues	10,806,064	10,698,064	10,314,172	(383,892)
Expenditures				
General governmental support	563,490	524,507	510,610	13,897
Transportation	312,228	291,518	86,690	204,828
Culture and recreation	1,650,886	1,429,758	786,080	643,678
Home and community services	5,881,607	5,970,213	4,927,467	1,042,746
Employee benefits	2,305,536	2,732,635	2,366,460	366,175
Total expenditures	10,713,747	10,948,631	8,677,307	2,271,324
Excess (deficit) of revenues over (under) expenditures	92,317	(250,567)	1,636,865	1,887,432
Other financing sources (uses)				
Operating transfers in	1,052,677	1,052,677	1,052,677	-
Operating transfers out	(1,144,994)	(1,144,994)	(1,303,071)	(158,077)
Total other financing sources (uses)	(92,317)	(92,317)	(250,394)	(158,077)
Net Change in Fund Balance	\$ -	\$ (342,884)	\$ 1,386,471	\$ 1,729,355

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, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Use of money and property	\$ -	\$ -	\$ 3,270	\$ 3,270
Total revenues	<u>-</u>	<u>-</u>	<u>3,270</u>	<u>3,270</u>
Expenditures				
Debt service (principal and interest)	<u>2,374,568</u>	<u>2,374,568</u>	<u>2,374,568</u>	<u>-</u>
Total expenditures	<u>2,374,568</u>	<u>2,374,568</u>	<u>2,374,568</u>	<u>-</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,374,568)</u>	<u>(2,374,568)</u>	<u>(2,371,298)</u>	<u>3,270</u>
Other financing sources (uses)				
Operating transfers in	<u>2,216,664</u>	<u>2,216,664</u>	<u>2,216,664</u>	<u>-</u>
Total other financing sources (uses)	<u>2,216,664</u>	<u>2,216,664</u>	<u>2,216,664</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (157,904)</u>	<u>\$ (157,904)</u>	<u>\$ (154,634)</u>	<u>\$ 3,270</u>

STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2020

	2020
ASSETS	
Cash and equivalents	\$ 347,603
Accounts receivable, net of allowance of \$65,000	1,678,059
Inventories	1,345,793
Prepaid expenses	159,564
Restricted assets-cash and cash in time deposits	2,134,154
Due from other funds	135,754
Fixed assets, net of accumulated depreciation	31,716,468
Total assets	37,517,395
DEFERRED OUTFLOWS OF RESOURCES	
Pension	1,450,727
Other post employment benefits	962,840
Total deferred outflows of resources	2,413,567
Total assets and deferred outflows of resources	\$ 39,930,962
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,329,269
Accrued liabilities	85,525
Due to other funds	6,458
Customer deposits	649,509
Bonds payable, current portion	633,388
Total current liabilities	2,704,149
Non-current liabilities:	
Compensated absences	567,623
Other post employment benefits	17,735,324
Bonds payable	4,716,398
Net pension liability- proportionate share	2,047,329
Total non-current liabilities	25,066,674
Total liabilities	27,770,823
DEFERRED INFLOWS OF RESOURCES	
Other post employment benefits	259,739
Pensions	83,341
Total deferred inflows of resources	343,080
NET POSITION	
Net investment in capital assets	26,366,682
Restricted for capital projects	92,133
Restricted for debt service	218,481
Restricted for other purposes	1,818,793
Unrestricted	(16,679,030)
Total net position	11,817,059
Total liabilities, deferred inflows and net position	\$ 39,930,962

See accompanying notes and independent auditor's report.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUND
Year ended December 31, 2020**

	<u>2020</u>
Charges for services:	
Municipal charges	\$ 18,330,464
Interfund charges	230,113
Miscellaneous income	69,298
Total charges for services	<u>18,629,875</u>
Operating expenses:	
Salaries and wages	1,826,202
Fringe benefits	1,421,173
Electric and power	12,184,231
Real property taxes	93,114
Bad debts	46,160
Depreciation	2,140,977
Total operating expenses	<u>17,711,857</u>
Net operating income	<u>918,018</u>
Nonoperating income (expenses)	
Payments in lieu of taxes	258,555
Use of money and property	25,962
Interest expense	(140,308)
Total nonoperating income (expense)	<u>144,209</u>
Change in net position before transfers	<u>1,062,227</u>
Transfers	
Payments in lieu of taxes	(422,884)
Contributions to municipality - cash	(230,113)
Total transfers	<u>(652,997)</u>
Change in net position	409,230
Net position and required reserves, January 1	<u>11,407,829</u>
Net position and required reserves, December 31	<u>\$ 11,817,059</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

Exhibit L

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2020

	<u>2020</u>
Net cash provided (used) by operating activities	
Cash received from customers	\$ 18,238,025
Cash paid to suppliers and other vendors	(12,821,274)
Cash paid for salaries and employee benefits	(3,208,600)
Other revenue	(16,678)
Net cash provided by operating activities	<u>2,191,473</u>
Net cash provided (used) by non-capital and financing activities	
Real property taxes	(93,114)
Payments in lieu of taxes	258,555
Net cash provided by non-capital and financing activities	<u>165,441</u>
Net cash provided (used) by investing activities	
Purchase of investments	(79,521)
Interest income	16,766
Net cash used by investing activities	<u>(62,755)</u>
Net cash provided (used) by capital and related financing activities	
Principal payments on debt	(857,334)
Interest expense on debt	(236,493)
Payments to contractors	(1,136,086)
Net cash used by capital and related financing activities	<u>(2,229,913)</u>
Net increase in cash and cash equivalents	64,246
Cash and cash equivalents, beginning of year	<u>283,357</u>
Cash and cash equivalents, end of year	<u><u>\$ 347,603</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ 918,018
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Contributions to municipality	(652,997)
Real property taxes	93,114
Rental of real property	9,196
GASB 68 pension adjustments	388,511
Other post employment benefits	(338,612)
Bad debts	46,160
Depreciation	2,140,977
(Increase) decrease in assets:	
Account receivable	(322,552)
Due from other funds	98,819
Inventories	130,996
Prepaid expenses	(8,015)
Increase (decrease) in liabilities:	
Accounts payable	(133,416)
Accrued liabilities	(72,040)
Due to other funds	(390)
Customer deposits	(95,172)
Compensated absences	(11,124)
Net cash provided by operating activities	<u><u>\$ 2,191,473</u></u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH, NEW YORK

Exhibit M

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

	Custodial Fund 2020
<u>ASSETS</u>	
Restricted cash	\$ 43,696
Accounts receivable	309
Due from other funds	<u>35,474</u>
Total assets	<u>\$ 79,479</u>
<u>LIABILITIES</u>	
Due to other funds	\$ 64,503
<u>NET POSITION</u>	
Held for others	<u>14,976</u>
Total liabilities and net position	<u>\$ 79,479</u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH, NEW YORK

Exhibit N

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
December 31, 2020

	Custodial Fund 2020
<hr/>	
ADDITIONS	
Member contributions	\$ 380,694
DEDUCTIONS	
Program expenses	<u>373,824</u>
Changes in Net Position	6,870
Net Position, Beginning of Year	<u>8,106</u>
Net Position, End of Year	<u><u>\$ 14,976</u></u>

See accompanying notes and independent auditor's report.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

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

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

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

COMPONENT UNITS

The financial reporting entity consists of (a) the primary government which is the City of Plattsburgh, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 61.

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "Available" means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers property taxes to be available if they are collected within sixty (60) days of the end of the fiscal year. A ninety (90) day availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

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

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

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

FUND TYPES AND MAJOR FUNDS

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

Governmental Funds

The City reports the following major governmental funds:

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

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

Special Grant Fund - to account for the use of Federal and State monies received under the Community Development Act and other Housing and Economic Development Projects.

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

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

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

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

FUND TYPES AND MAJOR FUNDS (continued)

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

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

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

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

Proprietary Fund

The City reports the following major proprietary fund:

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

Fiduciary Fund

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

PERVASIVENESS OF ESTIMATES

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

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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	\$ 22,200,411	\$ 10,314,172	\$ 3,270
Plus revenues from Special Revenue funds excluded in budget comparison	-	29,795	-
Revenues per Exhibit D	<u>\$ 22,200,411</u>	<u>\$ 10,343,967</u>	<u>\$ 3,270</u>
 Expenditures			
Expenditures included in budget comparison - Exhibits G, H, and I	\$ 18,866,401	\$ 8,677,307	\$ 2,374,568
Plus Expenditures from Special Revenue Funds excluded in budget comparison	-	62,895	-
Less Encumbrances included in budget comparison	(351,496)	(1,018)	-
Expenditures per Exhibit D	<u>\$ 18,514,905</u>	<u>\$ 8,739,184</u>	<u>\$ 2,374,568</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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	\$ 56,874	\$ -	\$ -
Special revenue	-	-	128,365
Enterprise	-	65,000	-
	\$ 56,874	\$ 65,000	\$ 128,365

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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 \$633,752 and long-term loans & receivables for \$711,311.

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, 2020 was \$168,088.

Aerial Fire Equipment Reserve - An amount reserved for the future purchase of, or payment on, an Aerial Fire Truck. Reserve balance at December 31, 2020 was \$157,751.

Clyde Lewis Aircraft Park Reserve - An amount reserved for annual maintenance and upkeep of the aircraft.. Reserve balance at December 31, 2020 was \$33,725.

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, 2020 was \$10,060,342.

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, 2020 was \$121,491.

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, 2020 was \$455,163.

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, 2020 was \$669,380.

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, 2020 was \$218,481.

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, 2020 was \$92,133.

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, 2020.

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 \$351,496 and Special Revenue Fund amounted to \$1,018.

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, 2020

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, 2020

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 2020 amounted to \$193,017 for 7 individuals.

EVENTS OCCURRING AFTER THE REPORTING DATE

The City has evaluated events and transactions that occurred between December 31, 2020 and July 12, 2021, 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, 2020, the City implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable, including GASB Statement No. 84, *Fiduciary Activities*.

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, 2020, is comprised as follows:

	Non-restricted Cash	Restricted Cash
Petty cash funds	\$ 7,275	\$ -
Non-interest bearing accounts	1,802,126	-
Interest bearing accounts	3,255,985	15,874,888
	<u>\$ 5,065,386</u>	<u>\$ 15,874,888</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 \$22,058,926 of which, \$500,000 was covered by Federal depository insurance and \$21,558,926 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, 2020 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, 2020

NOTE 2. CASH AND INVESTMENTS (continued)

Fund	Cash
General	\$ 1,470,111
Water	235,907
Sewer	1,166,601
Library	234,730
Debt Service	669,380
Parking	85,481
Proprietary	4,747
	<u>\$ 3,866,957</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, 2020 was \$272,002 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, 2020 was \$48,042.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Interfund balances at December 31, 2020 were as follows:

	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
General	\$ 702,158	\$ 118,621	\$ 1,210,727	\$ 2,749,271
Special Revenue	42	610,263	1,052,677	1,303,071
Capital Projects	-	73,583	225,271	-
Debt Service	-	-	2,216,664	-
Custodial	35,474	64,503	-	-
Enterprise Fund	135,754	6,458	-	652,997
Total	<u>\$ 873,428</u>	<u>\$ 873,428</u>	<u>\$ 4,705,339</u>	<u>\$ 4,705,339</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The City typically transfers money from the General and Special Revenue Funds to the Debt Service Fund, where it makes principal and interest payments on the City's bonds.

The City typically transfers money from the General Fund to the Special Revenue Fund to supplement certain programs and activities.

NOTE 6. RESTRICTED CASH

Restricted cash consists of the following:

Fund	Restricted Cash Balance	Restriction
General	\$ 157,751	Fire equipment purchases
	168,088	Police equipment purchases
	33,725	Clyde Lewis aircraft park maintenance
Total General	<u>\$ 359,564</u>	
Special Revenue	<u>\$ 12,668,094</u>	Water, Sewer and Library fund capital reserves
Debt Service	<u>\$ 669,380</u>	Bond Debt Reserve - Time Deposit
Enterprise	\$ 133	Bond Debt Reserve - Time Deposit
	113	Depreciation Reserve
	2,133,908	Other Deposits
Total Enterprise	<u>\$ 2,134,154</u>	
Custodial	43,696	Other
	<u>\$ 43,696</u>	

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7. CAPITAL ASSETS

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

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
Land	\$ 22,755,181	\$ -	\$ -	\$ 22,755,181
Infrastructure	89,907,010	8,232,096	-	98,139,106
Buildings & improvements	55,326,742	-	-	55,326,742
Machinery and equipment	15,124,055	6,075,557	322,438	20,877,174
Construction in progress	7,533,511	8,339,950	14,099,998	1,773,463
Total	<u>190,646,499</u>	<u>\$ 22,647,603</u>	<u>\$ 14,422,436</u>	<u>198,871,666</u>
Less accumulated depreciation	<u>87,335,480</u>			<u>91,328,547</u>
	<u>\$ 103,311,019</u>			<u>\$ 107,543,119</u>

Depreciation was charged to governmental functions as follows:

	12/31/2020
General governmental support	\$ 676,994
Public safety	304,736
Transportation	1,350,158
Economic assistance and opportunity	25,985
Culture and recreation	268,114
Home and community services	1,689,517
	<u>\$ 4,315,504</u>

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

FIXED ASSETS				
DESCRIPTION	12/31/2019	ADDITIONS	DELETIONS	12/31/2020
Land	\$ 703,561	\$ -	\$ -	\$ 703,561
Buildings	2,188,103	115,211	211	2,303,103
Improvements	66,111,519	801,721	97,730	66,815,510
Machinery and equipment	11,028,990	507,957	154,033	11,382,914
Construction in progress	151,781	1,222,413	1,327,813	46,381
Total	<u>80,183,954</u>	<u>\$ 2,647,302</u>	<u>\$ 1,579,787</u>	<u>81,251,469</u>
Less accumulated depreciation	<u>47,462,595</u>			<u>49,535,001</u>
	<u>\$ 32,721,359</u>			<u>\$ 31,716,468</u>

:

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8. BONDS

Changes in long-term debt for the year ended December 31, 2020 were as follows:

Governmental Activities:	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
General obligation bonds	\$ 14,884,595	\$ 6,488,519	\$ 1,907,666	\$ 19,465,448
Bond premium, net of amort	659,818	-	146,875	512,943
Net OPEB liabilities	135,165,554	15,821,914	-	150,987,468
Net pension liability	4,119,757	11,162,778	-	15,282,535
Compensated absences	3,279,319	-	225,881	3,053,438
	<u>\$ 158,109,043</u>	<u>\$ 33,473,211</u>	<u>\$ 2,280,422</u>	<u>\$ 189,301,832</u>

Business-type Activities:	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
General obligation bonds	\$ 5,812,527	\$ -	\$ 857,334	\$ 4,955,193
Bond premium, net of amort	490,778	-	96,185	394,593
Net OPEB liabilities	16,327,548	1,407,776	-	17,735,324
Net pension liability	578,727	1,468,602	-	2,047,329
Compensated absences	578,747	-	11,124	567,623
	<u>\$ 23,788,327</u>	<u>\$ 2,876,378</u>	<u>\$ 964,643</u>	<u>\$ 25,700,062</u>

Total interest expenditures for the year ended December 31, 2020, were as follows:

	Governmental Activities	Business-type Activities
Interest paid	\$ 466,902	\$ 241,415
Increase (decrease) in accrued interest	19,689	(4,922)
Amortization - defeasement	15,448	-
Amortization - bond premium	(146,875)	(96,185)
Totals	<u>\$ 355,164</u>	<u>\$ 140,308</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 \$146,875 for the year ended December 31, 2020 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 \$96,185 for the year ended December 31, 2020 and is included in interest expense.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8. BONDS (continued)

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

2021	\$ 2,435,131	\$ 633,388	\$ 3,068,519
2022	2,406,809	643,191	3,050,000
2023	2,458,354	646,646	3,105,000
2024	2,470,759	674,241	3,145,000
2025	2,242,500	472,500	2,715,000
2026-2030	7,451,895	1,885,227	9,337,122
	<u>\$ 19,465,448</u>	<u>\$ 4,955,193</u>	<u>\$ 24,420,641</u>

Year	Interest		Total Interest
	Governmental Activities	Business-type Activities	
2021	\$ 517,608	\$ 204,234	\$ 721,842
2022	458,955	176,176	635,131
2023	391,221	147,741	538,962
2024	318,404	118,620	437,024
2025	243,753	91,947	335,700
2026-2030	435,067	152,894	587,961
	<u>\$ 2,365,008</u>	<u>\$ 891,612</u>	<u>\$ 3,256,620</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, 2020, there were no capital leases.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8. BONDS (continued)

General obligation bonds consist of the following:

Governmental funds

\$8,839,095, Public Improvement Serial Bond of 2017, due in annual installments of \$850,000 to \$900,000 , interest variable at 2.125%-3.00%.	\$ 6,160,000
\$1,870,200, Public Improvement Refunding Serial Bonds, variable principal payments through 2026, interest variable at 2.125%-3.00%.	619,356
\$6,488,519 Public Improvement Serial Bond of 2020, variable principal payments through 2030, interest variable at 1.0%-2.0%.	6,488,519
\$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%	920,451
\$4,975,000 Refunding Public Improvement Serial Bonds of 2019 due in annual installments of \$292,122 to \$510,000 through 2030, interest variable at 3.0%-5.0%	3,972,122
\$2,369,771 NYS Environmental Facilities Bond of 2012, due in annual installments of \$135,000 to \$155,000 through 2029, interest variable at 1.955% to 3.468%	1,305,000
Total Governmental Activities	<u>19,465,448</u>

Business-type Activities

\$1,584,800 Public Improvement Refunding Serial Bonds of 2016, variable principal payments through 2024, interest at 3.00%.	775,644
\$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%	4,179,549
Total Business-type Activities	<u>4,955,193</u>
Total General Obligation Bonds	<u>\$ 24,420,641</u>

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, 2020, 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, 2020, this amount was \$1,415.

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 a 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, 2020

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, 2020

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	
2020	\$	1,126,889	\$	1,331,867
2019	\$	1,112,298	\$	1,519,740
2018	\$	1,210,750	\$	1,289,550

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, 2020 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, 2020 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	3/31/2020		3/31/2020	
Net Pension liability	\$	(7,610,889)	\$	(9,718,975)
City's portion of the Plan's total net pension liability		-0.0287414%		-0.1818352%
Change in proportion since prior measurement date	\$	(5,461,884)	\$	(7,169,496)

For the year ended December 31, 2020, the City's recognized pension expense of \$2,559,495 for ERS and \$3,425,371 for PFRS. At December 31, 2020 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, 2020

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	\$ 327,438	\$ 647,181	\$ 974,619	\$ 120,494	\$ 1,095,113
Changes of assumptions	112,024	830,737	942,761	41,223	983,984
Net difference between projected and actual earnings on pension plan investments	2,852,151	4,376,760	7,228,911	1,049,561	8,278,472
Changes in proportion and differences between the City's contributions and proportionate share of contributions	39,576	305,255	344,831	14,564	359,395
City's contributions subsequent to the measurement date	620,282	998,900	1,619,182	224,885	1,844,067
Total	<u>\$ 3,951,471</u>	<u>\$ 7,158,833</u>	<u>\$ 11,110,304</u>	<u>\$ 1,450,727</u>	<u>\$ 12,561,031</u>
Deferred Inflows of Resources:					
Differences between expected and actual experience	\$ -	\$ 162,792	\$ 162,792	\$ -	\$ 162,792
Changes in assumptions	96,730	-	96,730	35,596	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	129,745	231,643	361,388	47,745	409,133
Total	<u>\$ 226,475</u>	<u>\$ 394,435</u>	<u>\$ 620,910</u>	<u>\$ 83,341</u>	<u>\$ 571,925</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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	<u>ERS</u>	<u>PFRS</u>
Year ended:		
2021	\$ 701,813	\$ 1,213,613
2022	1,068,793	1,321,342
2023	1,364,470	1,688,860
2024	1,112,139	1,424,141
2025	-	117,542
Total	<u>\$ 4,247,215</u>	<u>\$ 5,765,498</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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	3/31/2020	3/31/2020
Actuarial valuation date	4/1/2019	4/1/2019
Interest rate	6.8%	6.8%
Salary scale	4.2%	5.0%
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-2018.

For ERS and PFRS, the actuarial assumptions used in the April 1, 2019 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:

NOTE 11. RETIREMENT BENEFITS (continued)

	Long-Term Expected Real Rate of Return
Measurement Date	3/31/2020
Asset Type:	%
Domestic equity	4.05
International equity	6.15
Private equity	6.75
Real estate	4.95
Absolute return strategies	3.25
Mortgages and bonds	0.75
Opportunistic portfolio	4.65
Real assets	5.95
Inflation-indexed bonds	0.50

Discount Rate

The discount rate used to calculate the total pension liability was 6.8% 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 6.8% 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 (5.8% for ERS and PFRS) or 1% higher (7.8% for ERS and PFRS) than the current rate:

ERS	1% Decrease	Current Assumption	1% Increase
	5.8%	6.8%	7.8%
Employer's proportionate share of the net pension asset (liability)	\$ (13,968,131)	\$ (7,610,889)	\$ (1,755,843)
	5.8%	6.8%	7.8%
	1% Decrease	Current Assumption	1% Increase
	5.8%	6.8%	7.8%
Employer's proportionate share of the net pension asset (liability)	\$ (17,377,726)	\$ (9,718,975)	\$ (2,860,391)

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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	\$ 194,596,261	\$ 35,309,017	\$ 229,905,278
Plan Net Position	168,115,682	29,964,080	198,079,762
Employers' net pension liability	<u>\$ 26,480,579</u>	<u>\$ 5,344,937</u>	<u>\$ 31,825,516</u>
Ratio of plan net position to the Employers' total pension liability	86.39%	84.86%	86.16%

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, 2020 represent the projected employer contribution for the period of April 1, 2020 through December 31, 2020 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of December 31, 2020 amounted to \$0. The ERS premium of \$1,126,889 was paid December 15, 2020, generating a prepaid expense of \$281,722 at December 31, 2020. The PFRS premium of \$1,331,867 was paid December 15, 2020, generating a prepaid expense of \$332,967 at December 31, 2020.

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, 2020

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

Employees Covered by Benefit Terms – At December 31, 2020, the following employees were covered by the benefit terms:

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

B. Total OPEB Liability

The City's total OPEB liability of \$168,722,792 was measured as of January 1, 2020, and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.11 percent
Salary Increases	3.11 percent
Discount Rate	2.41 percent
Healthcare Cost Trend Rate	4.0 percent for 2020, increasing to a rate of 4.08 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-2020.

C. Changes in the Total OPEB Liability

Balance at December 31, 2019	<u>\$ 151,493,102</u>
<u>Changes for the Year-</u>	
Service Cost	1,645,489
Interest	4,079,231
Changes of benefit terms	(3,107,122)
Differences between expected and actual experience	6,907,552
Changes in assumptions or other inputs	12,507,441
Benefit payments	<u>(4,802,901)</u>
Net Changes	<u>17,229,690</u>
Balance at December 31, 2020	<u><u>\$ 168,722,792</u></u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75% in 2019 to 2.41% in 2020.

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 (1.41 percent) or 1 percentage point higher (3.41 percent) than the current discount rate:

	1% Decrease 1.41%	Discount Rate 2.41%	1% Increase 3.41%
Total OPEB Liability	<u>\$ 201,368,899</u>	<u>\$ 168,722,792</u>	<u>\$ 143,460,821</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>\$ 142,657,383</u>	<u>\$ 168,722,792</u>	<u>\$ 202,292,850</u>

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$2,187,420. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,901,597	\$ (9,510,772)
Changes of assumptions or other inputs	13,250,257	-
Contributions subsequent to the measurement period	<u>1,210,594</u>	<u>-</u>
Total	<u>\$ 18,362,448</u>	<u>\$ (9,510,772)</u>

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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>
2021	\$ (5,289,520)
2022	<u>(2,351,562)</u>
	<u>\$ (7,641,082)</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 \$238,068 based on gross revenue of \$4,761,360.

Note 14. ASSIGNED FUND BALANCE – ENCUMBRANCES

Assigned Fund Balance – Includes year end encumbrances as follows:

<u>December 31, 2020</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
General	\$ 94,140	\$ -	\$ 94,140
Public safety	4,037	-	4,037
Transportation	5,204	-	5,204
Economic assistance and opportunity	246,771	-	246,771
Home & community services	1,344	1,018	2,362
	<u>\$ 351,496</u>	<u>\$ 1,018</u>	<u>\$ 352,514</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, 2020

NOTE 15. COMMITMENTS AND CONTINGENCIES (Continued)

Clyde Lewis Park Trust

In June 2008, the City entered into an agreement with Plattsburgh Airbase Redevelopment Corp. (PARC) to be the caretaker of two aircraft (an FB-111A and B-47) on display at Clyde Lewis Park. The City is responsible for the maintenance and upkeep of the Aircraft. As part of the agreement, PARC made a grant to the City amounting to \$50,000 which the City shall invest and apply the earned interest toward the annual maintenance and upkeep. The principal amount of the Grant proceeds may be applied toward the cost of returning the aircraft to the United States Air Force Museum (USAFM) or the cost to repair the Aircraft should catastrophic damage occur as a result of a natural disaster or other unforeseen event. In the event the City is in default under this agreement, the City shall be obligated to repay to PARC the full amount of the Grant. The reserve balance was \$33,725 at the end of 2020 after repair costs of \$29,000 were paid during 2017 and 2018 for weather and nature related damages to the aircraft net of the interest earnings from the inception of the reserve through the end of 2020 totaling \$12,725.

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 \$287,000 to \$487,000 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 \$237,065.

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, 2020, the City has not disclosed any significant environmental problems in the financial statements.

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

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 15. COMMITMENTS AND CONTINGENCIES (Continued)

The enforcement proceeding has been settled by a consent order. The City agreed to re-close the landfill at an estimated cost of \$4,691,000. The City has been awarded a grant to pay approximately 50% of the cost, or \$2,336,492. The cost to the City is \$2,369,771 and has been paid with proceeds from a loan from the Environmental Facilities Corporation. On November 1st, 2016, the City became eligible to make a grant application to the NYS DEC under the Landfill Closure State Assistance Program for the potential cost recovery of \$1,292,366, representing one-half of the unfunded landfill project cost qualified under the grant program. The cost recovery grant amount was received on May 8th, 2017, and was used to establish a debt service reserve, and has been applied to the debt service for the NYS EFC serial bonds issued in 2012 from 2017 forward. At the end of 2020, the reserve balance of the NYS DEC funding was \$669,380.

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 was settled during 2018 establishing pay increases for the years 2014 through 2020, and that renewed contract has been extended through a Memorandum of Understanding (MOU) for the years 2021 and 2022, expiring on December 31, 2022.

The City's contract with Local 812 of the Plattsburgh Police Officers Union and New York Council 82 of the American Federation of State, County and Municipal Employees, AFL-CIO, expired on December 31st, 2016. Negotiations have 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 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 City's contract with Local 788 and New York Council 66 of the American Federation of State, County and Municipal Employees, AFL-CIO for the Plattsburgh Public Library, expired on June 30, 2019, and was renewed on December 19th, 2019, for three years through June 30, 2022, with a 2% increases per contract year in 2019 and 2020 and a 1.5% increase in 2021 per employee except for the Library Pages. Library Pages were increased to \$12.75 per hour July 1st, 2019, \$13.25 per hour July 1st, 2020, and \$13.75 per hour on July 1st, 2021.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 15. COMMITMENTS AND CONTINGENCIES (Continued)

Recreation Fund Deficit

The Recreation Fund had a deficit fund balance of \$280,157 at December 31, 2020. The deficit will be funded as fund operations improve or from general fund appropriations.

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, 2020:

PILOT Entity	Authority	Dated	Governing Law	Basis	Abatement	Received
Saranac Power Partners	Clinton County & Town of Plattsburgh	12/1/2009	GML Article 18-a Chapter 1030 1969	PILOT Mortgage	\$ 372,852	\$6,734
Plattsburgh Housing Authority	State of New York Amended	4/17/1951 3/4/2010	Consolidated Laws Chapter 44-A	Income PILOT	297,436	86,520
Plattsburgh Municipal Lighting	NYSPSC		Order 06-E-1496	Valuation PILOT plus service payment for street lighting	424,576	652,997
2020 Total					<u>\$ 1,094,864</u>	<u>\$ 746,251</u>

The City received payment in Lieu of Tax (PILOT) payments totaling \$93,254.

CITY OF PLATTSBURGH

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The City implemented GASB 84 during the year ended December 31, 2020. As such, certain amounts historically reported in the Trust + Agency Fund were moved to the Governmental Funds, as follows:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Clyde Lewis Aircraft Park	\$ 33,725	\$ -	\$ 33,725
Compost Escrow	-	2,357,432	2,357,432
Total	<u>\$ 33,725</u>	<u>\$ 2,357,432</u>	<u>\$ 2,391,157</u>

Other Supplemental Information

City of Plattsburgh

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended December 31, 2020

NYSERS Pension Plan
 Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City's proportion of the net pension liability	0.0287414%	0.0303305%	0.0327848%	0.0311668%	0.0311625%	0.0309069%				
City's proportionate share of the net pension liability	\$ 7,610,889	\$ 2,149,005	\$ 1,058,113	\$ 2,928,503	\$ 5,001,661	\$ 1,044,110				
City's covered employee payroll	\$ 8,055,019	\$ 8,408,105	\$ 8,679,482	\$ 9,995,629	\$ 9,639,080	\$ 8,818,736				
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	94.49%	25.56%	12.19%	29.30%	51.89%	11.84%				
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%				

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

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

City of Plattsburgh

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
Year Ended December 31, 2020**

NYSERS Pension Plan
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,126,889	\$ 1,112,298	\$ 1,210,750	\$ 1,288,179	\$ 1,208,988	\$ 1,381,855	\$ 1,608,062	\$ 1,509,264	\$ 1,367,269	-
Contributions in relation to the contractually required contribution	\$ 1,126,889	\$ 1,112,298	\$ 1,210,750	\$ 1,288,179	\$ 1,208,988	\$ 1,381,855	\$ 1,608,062	\$ 1,509,264	\$ 1,367,269	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered employee payroll	\$ 8,055,019	\$ 8,408,105	\$ 8,679,482	\$ 9,995,629	\$ 9,639,080	\$ 8,818,736				
Contributions as a percentage of covered employee payroll	14.0%	13.2%	13.9%	12.9%	12.5%	15.7%				

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

City of Plattsburgh

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended December 31, 2020

NYSPFRS Pension Plan
 Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City's proportion of the net pension liability	0.1818352%	0.1520220%	0.1678800%	0.1700469%	0.1981158%	0.1815705%				
City's proportionate share of the net pension liability	\$ 9,718,975	\$ 2,549,479	\$ 1,696,858	\$ 3,524,479	\$ 5,865,786	\$ 499,790				
City's covered employee payroll	\$ 6,386,405	\$ 6,914,715	\$ 6,850,120	\$ 5,523,240	\$ 5,760,314	\$ 6,607,279				
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	152.18%	24.77%	24.77%	63.81%	101.83%	7.56%				
Plan fiduciary net position as a percentage of the total pension liability	84.86%	95.09%	96.93%	93.50%	90.20%	99.03%				

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

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

City of Plattsburgh

SCHEDULE OF THE CITY'S CONTRIBUTIONS
Year Ended December 31, 2020

NYSPPRS Pension Plan
 Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,331,867	\$ 1,519,740	\$ 1,289,550	\$ 1,421,943	\$ 1,387,189	\$ 1,624,997	\$ 1,430,757	\$ 1,697,869	\$ 1,455,711	-
Contributions in relation to the contractually required contribution	\$ 1,331,867	\$ 1,519,740	\$ 1,289,550	\$ 1,421,943	\$ 1,387,189	\$ 1,624,997	\$ 1,430,757	\$ 1,697,869	\$ 1,455,711	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered employee payroll	\$ 6,386,405	\$ 6,914,715	\$ 6,850,120	\$ 5,523,240	\$ 5,760,314	\$ 6,607,279				
Contributions as a percentage of covered employee payroll	20.9%	22.0%	18.8%	25.7%	24.1%	24.6%				

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

CITY OF PLATTSBURGH

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	January 1, 2020	January 1, 2019	January 1, 2018
Service Cost	\$ 1,645,489	\$ 1,626,885	\$ 1,783,951
Interest	4,079,231	6,242,084	5,937,823
Changes in benefit terms	(3,107,122)	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	6,907,552	(51,709,706)	258,117
Changes of assumption or other inputs	12,507,441	33,982,045	(9,568,143)
Benefit payments	<u>(4,802,901)</u>	<u>(4,928,083)</u>	<u>(4,721,795)</u>
Net change in total OPEB liability	17,229,690	(14,786,775)	(6,310,047)
Total OPEB liability - beginning	<u>151,493,102</u>	<u>166,279,877</u>	<u>172,589,924</u>
Total OPEB liability - Ending	<u>\$ 168,722,792</u>	<u>\$ 151,493,102</u>	<u>\$ 166,279,877</u>
Covered payroll	<u>\$ 14,441,424</u>	<u>\$ 15,580,884</u>	<u>\$ 15,094,830</u>
Total OPEB liability as a percentage of covered payroll	1168.33%	972.30%	1101.57%

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

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, 2020, and the related notes to the financial statements, which collectively comprise City of Plattsburgh's basic financial statements and have issued our report thereon dated July 12, 2021.

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

July 12, 2021

**CITY OF PLATTSBURGH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2020**

SECTION II - FINANCIAL STATEMENTS

None