

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the City 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, as amended. 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 on individuals. Interest on the Notes included in the "adjusted financial statement income" of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

The Bonds will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$6,000,000

CITY OF ONEONTA

OTSEGO COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$6,000,000 Bond Anticipation Notes, 2024

(referred to herein as the "Bonds")



Dated: November 14, 2024

Due: November 14, 2025

The Notes are general obligations of the City of Oneonta, Otsego County, New York (the "City"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "Tax Levy Limitation Law" herein.

The Notes are not subject to redemption prior to maturity and are non-callable. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes may be issued in registered certificated form, in the denominations of \$5,000 each or multiples thereof, without the option of prior redemption. If issued in registered certificated form, principal and interest will be payable at maturity in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by such successful bidder(s). Paying agent fees, if any, will be paid by the successful bidder(s).

At the option of the purchaser(s), the Notes will be issued as book-entry registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. If so issued, Noteholders will not receive certificates representing their ownership interest in the Notes purchased. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or at such place as may be agreed upon with the Purchaser(s) on or about November 14, 2024.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on October 30, 2024 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the City, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

October 25, 2024

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. THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS WITH REGARD TO THE NOTES AS DEFINED IN THE RULE. SEE "APPENDIX – C, MATERIAL EVENT NOTICES" HEREIN.

CITY OF ONEONTA

CITY OFFICIALS

MARK DRNEK, Mayor

COUNCIL MEMBERS

ELAYNE MOSHER CAMPOLI
CECELIA WALSH-RUSSO
SHANNON MCHUGH
KAYTEE LIPARI SHUE
LEONARD CARSON
SCOTT HARRINGTON
DONALD MATHISEN

* * * * *

VIRGINIA M. LEE
Director of Finance

GREG MATTICE
City Administrator

KERRIANN HARRINGTON
City Clerk

DAVID S. MERZIG, ESQ.
City Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

No dealer, broker, salesman or other person has been authorized by the City of Oneonta to give any information or to make any representations other than those contained in this Official Statement; and if given or made, such other information or representations must not be relied upon as having been authorized by the City of Oneonta. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City of Oneonta from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information 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 Oneonta since the date thereof.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT
OF THE
CITY OF ONEONTA
OTSEGO COUNTY, NEW YORK**

**Relating To
\$6,000,000 Bond Anticipation Notes, 2024**

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Oneonta, Otsego County, New York (the “City,” “County,” and “State,” respectively), in connection with the sale by the City of \$6,000,000 principal amount of Bond Anticipation Notes, 2024 (referred to herein as the “Notes”).

The factors affecting the City's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of 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 forms of the Notes and such proceedings.

THE BONDS

Description of the Notes

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See “TAX LEVY LIMITATION LAW” herein.

The Notes are dated November 14, 2024 and mature on November 14, 2025.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in denominations of \$5,000 or integral multiples thereof, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purposes of Issue

The Notes are issued pursuant to the Constitution and statutes of the State including among others, the General City Law, the Local Finance Law, the City Charter, and a bond resolution adopted by the City Council on December 5, 2023 authorizing the issuance of \$7,500,000 serial bonds to pay costs of a downtown revitalization project in and for the City, consisting of the following projects.

<u>Project</u>	<u>Authorization</u>	<u>Proceeds of the Bonds</u>
47 Market Street parking	\$ 1,300,000	\$ 1,022,000
Electric Relocation	1,000,000	578,000
Transit hub building and bus plaza	800,000	-
Reconstruction of Water street and Market street	4,400,000	4,400,000
Total	<u>\$ 7,500,000</u>	<u>\$ 6,000,000</u>

The proceeds of the Bonds will provide \$6,000,000 in new monies for the aforementioned projects.

Nature of the Obligation

Each Note 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.

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 LAW LIMITATION,” 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.

BOOK-ENTRY-ONLY SYSTEM

If registered in Book Entry Only Form, the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities 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 the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is 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 for 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered 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”). DTC has a Standard & Poor’s rating of AA+. 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.

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 and Note (“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 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee does 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 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 dates 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 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 to DTC.

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.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE CITY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

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Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued registered in the name of the owner in denominations of \$5,000 or integral multiples thereof, as determined by the successful bidder(s). Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company to be named by the City as fiscal agent for the Notes.

THE CITY

General Information

The City is located in Central Upstate New York along the southern border of Otsego County. The City has a land area of approximately 4.1 square miles and a population of 13,079 (2020 U.S. Census Bureau). The City is the County's only incorporated urban community.

The Village of Cooperstown, which is the County Seat and home to the National Baseball Hall of Fame and Museum, is located 21 miles to the north; the City of Albany, 76 miles to the northeast and the City of Binghamton, 60 miles to the Southwest. Major highways serving the City of Oneonta include State Routes 23 (Southeast/Northwest), 28 (North/South) and 7 (Northeast/Southwest) in addition to Interstate 88, which traverses northeast and southwest providing easy access to Albany and Binghamton. Air transportation is readily accessible in both Albany and Binghamton, and locally is accommodated at the Albert S. Nader Regional Airport, which is owned and operated by the City.

Otsego County's several largest employers include hospitals, health-related services organizations, colleges, and insurance companies. These stable industries contribute to the favorable economic activity, giving Otsego County a 3.8% unemployment rate as of April 30, 2024, as compared to the Central New York Region at 3.7%, and New York State at 3.9%. Complementing these jobs is a high percentage of employment in the construction industry and considerable growth in tourism, retail and service sectors. Per the 2022 American Community Survey conducted by the US Census Bureau, the following are the most common employment sectors for those who live in Otsego County; Educational, Health Care & Social Assistance 34.3%, Retail Trade 13.3%, Arts, Entertainment, and Recreation, Accommodation & Food Services 12.0% and Manufacturing and Construction 14.0%. There are two institutions of higher learning in the City; Hartwick College and State University of New York at Oneonta (SUNY Oneonta). Together they have a total enrollment of approximately 7,000 students.

Tourism has been a consistent economic driver for the County. The National Baseball Hall of Fame in Cooperstown, and three large seasonal youth baseball camps, one near Cooperstown, and two in Oneonta, bring thousands of participants and their families to the area each summer and have a significant economic impact on the local economy. A hub of retail activity anchored by national chains, a vibrant downtown, and a growing arts and culture destination is a regional draw to the City.

The City and immediate area also serve as the County and Region's industrial hub. Three industrial parks near the City, the Browne Street Industrial Park, the Pony Farm Industrial Park, and the Oneonta River Corp. Industrial Park, are home to many small and mid-size manufacturing companies. Corning, Inc., which employs approximately 188 people in the City, is the largest private manufacturer. See "Larger Employers" herein.

In 2016, the City was one of the first ten communities in New York to be awarded a \$10 million state grant as part of the Downtown Revitalization Initiative (DRI) program. The program provided \$2,660,000 building improvement fund, as well as branding and marketing efforts for the City, of which \$2.335M was allocated to local building and business owners for signage, façade and creation of upper floor housing. In addition, \$100,000 was granted for technical assistance for an art-space study, the Oneonta Theatre feasibility study, and marketing for the Foothills Performing Arts Center. The City also invested \$570,000 in branding and marketing and downtown wayfinding signage. The City is investing \$23 million in economic development activities related to the demolition of a parking garage, the development of an intermodal transit hub, and streetscape of the City Market Street/Water Street areas. In addition, the City is the recipient of a large number of active grants, including microenterprise grants, housing improvement grants, and community development block grants.

Downtown Revitalization Initiative (DRI) Project:

- \$2.66 million to support the renovation of existing downtown buildings. Grants totaling \$2.335 million have been awarded to forty (40) downtown businesses for new signage and improved facades, and to create nearly thirty (30) new year-round, market-rate housing units in the upper floors.

- \$1.47 million was awarded for the construction of a 73,500 square foot, four story, mixed-use building completed in 2023, which includes sixty-four (64) apartment units and the Hartwick Grain Innovation Center, an educational facility developed in conjunction with Hartwick College. To assist in the Grain Center, the City also received a grant of \$180,000 from Empire State Development
- \$570,000 was invested in the branding and marketing effort for the City including the fabrication and installation of new wayfinding signs in the downtown. The selected design firm created new marketing materials, developed a marketing strategy, and designed wayfinding signage.
- The Market Street Transportation Improvement Project is under construction with anticipated completion in December 2025. This project is located south of the City's Main Street, and is being developed with the goal to activate Market Street as a vibrant and active part of the City. The overall Project includes the following :
 - A \$2.5 million DRI fund, and more than \$9 million in New York State Department of Transportation (NYSDOT) funding, has been established for a new intermodal Transit Hub, and the demolition of the City's downtown parking garage. The Transit Hub project is estimated to be \$10 million.
 - Projects that will provide an improved pedestrian experience connecting Main Street and Market Street have been funded with \$211,000 of DRI funds. This work includes improvements to the interior walkway, and a new elevator within the indoor public walkway, between Water Street and Main Street as part of the Springbrook building renovations located in the Ford Building on Main Street. The Springbrook project, with the assistance of a \$885,000 DRI grant, is completed and will provide twenty-four (24) new residential units..
 - A \$2.25 million Market Street streetscape improvement project funded by a DRI Empire State Development (ESD) grant to benefit traffic and provide improved pedestrian-oriented features is being constructed.
 - The City was awarded a Department of Environmental Conservation (DEC) Municipal Zero-Emission Vehicle (ZEV) Infrastructure Grant Program grant of \$299,546 for installation of ZEV charging stations within the parking lot at 47 Market Street.
- The Notes are being issued for municipal elements of the DRI project.

Recent Economic Development projects include:

- The City was awarded a \$477,000 grant to demolish a building at 27 Market Street in coordination with the Market Street development; the building was demolished in 2023 and is ready for development. .
- The City was awarded a \$900,000 RESTORE NY grant for renovations of 14-18 Dietz Street, multi-use building which will create three (3) commercial spaces and four (4) new upper-floor housing units. This project also has received a \$275,000 DRI grant for the upper-floor housing.
- The City assisted Social Eats Project 607 with obtaining an \$100,000 Community Development Block Grant (CDBG) award for furniture/fixtures/equipment and working capital for this new public benefit café. This project was completed in 2023 and the City is seeking a second \$100,000 grant for expansion of the business.
- The City obtained a \$500,000 New York Main Street Stabilization Grant to replace the roof and roof drainage system on the Oneonta Theatre originally built in 1897. Future plans are to restore the theatre to its original purpose of providing arts and entertainment to the community.
- The City is dedicated to maintaining its existing water and wastewater infrastructure with the following major projects:
 - The City has been awarded a Bipartisan Infrastructure Law (BIL) grant in the amount of \$2,626,500 and a \$2,626,500 zero-percent (0%), thirty-year (30) loan from the New York State Environmental Facilities Corporation (NYSEFC) Clean Water State Revolving Fund (CWSRF) for the wastewater treatment plant phase II work to further enhance the treatment processes. The City is seeking additional funding for this project which if awarded will reduce the City's local share.
 - Water Treatment Plant Upgrade estimated at \$8,072,625 with a \$3m grant award from the WIIA, a \$2m grant from BIL, and a \$3,072,625 zero-percent (0%), thirty-year loan from the Drinking Water State Revolving Fund (DWSRF) which will provide water system improvements, including at the water treatment plant, as well as various distribution systems. This project is in the design phase.
 - The City was awarded a \$1.2 million BIL grant to conduct a study to identify remaining Lead-Water services within the City's system with an expected completion date of Fall 2024
 - Lead Water Lines Replacement-Known Locations project will be submitted for listing on the IUP. The amount is to be determined and the City will be seeking WIIA, BIL, and DWSRF low-interest rate loan funding.
 - The City received a \$205,000 grant from the Community Development Block Grant (CDBG) Housing Program for Lead Water Lateral Replacements to benefit low and moderate-income homeowners. The City is currently seeking applications from homeowners.
 - The City received a \$213,000 Microenterprise grant from the Community Development Block Grant (CDBG) for Economic Development.

- The City also provides an excellent public transit system to its citizenry. The City has an excellent history of being awarded grants to fund the transit system. As mentioned above, \$9 million of grant funds have been awarded for a new Transit Hub. The City has also been awarded over \$1 million from the CARES Act to assist in the anticipated revenue losses due to COVID-19.
- The City has historically benefited from grant awards from the Federal Aviation Administration (FAA) and the NYSDOT for its Albert S. Nader Regional Airport. The current major airport grants are as follows: NYSDOT awarded an \$800,000 grant to replace the Airport's existing fuel farm; the City received a FAA grant in the amount of \$1,605,350 for the Airport Reconstruct Terminal Apron Pavement, Taxiway Lighting-Construction project, and the FAA and NYSDOT provided \$900,000 for the replacement and relocation of the Airport's Automated Weather Observing System (AWOS). There are a number of other FAA/State grants for the airport, such as obstruction removal, pavement management, security, and taxiway design.
- The City has a minor league baseball park and has been awarded \$1 million for renovations, and the City is awaiting receipt of the grant funds from NYS.
- Currently the City is involved in an Otsego County Regional Compost Facility and has been awarded a \$420,000 grant for the project which is underway. The compost facility is in operation and the City is continuing to purchase equipment to enhance operations.
- The Community Development Block Grants have been a consistent source of grants to assist the City's homeowners and business owners. The City recently completed the seventh Microenterprise Program and has applied for the eighth program. *Since 2010, the City has awarded nearly \$1.3 million to sixty-seven (67) of the City's microbusinesses, more than 50% of which are still in business today.*
- The City was awarded a \$72,000 grant to complete a joint Local Waterfront Revitalization Plan with the Town of Oneonta. The planning effort is underway and will result in the City and Town having clear identities as Susquehanna River Basin communities, and will enhance connections with the river and its tributaries through improved pedestrian and bike connections and development that enhances the riverfront, and will ensure the resiliency of the areas along the waterfront.
- The City was awarded a \$297,000 Brownfield Opportunity Areas Program (BOA) grant to develop an area-wide plan for redevelopment of the City's Opportunity Area.
- The City was awarded a \$40,000 grant from the NYS Department of Environmental Conservation (DEC) Tree Planning in Disadvantaged Communities with Ash Tree Loss Program. The project will install twelve (12) apple trees to create the Swart-Wilcox House Museum orchard, and forty-five (45) street trees in the River Street neighborhoods, and will be completed in 2024
- The City completed a housing-condition survey funded with a \$50,000 CDBG grant. The data collected from this project will assist the City with prioritizing future housing programs.
- The City completed a building study of the City-owned Armory to determine its future uses and renovation costs. The project was funded with a \$39,891 CDBG grant.
- NYS Department of Transportation (DOT) Transportation Alternatives Program (TAP) Grant for a \$8m total project with a grant award of \$5m. This project is a joint venture with the Town of Oneonta. This will provide pedestrian and bicycle access, lighting, and traffic calming on Lettis/Foster Highway with the goal to transform the highway into a boulevard. . The City is seeking additional funding for the local share.
- The City is pursuing local foundation grants for financing assistance for a Quint fire truck.
 - USDA Rural Development Community Facilities Program has secured \$1,905,000 loan assistance for a Quint fire truck

Source: City officials.

Population Trends

<u>Year</u>	<u>City of Oneonta</u>	<u>Otsego County</u>	<u>New York State</u>
1970	16,030	56,181	14,236,882
1980	14,933	59,075	17,558,072
1990	13,954	60,517	17,990,455
2000	13,292	61,676	18,976,457
2010	13,901	61,917	19,378,104
2018 (estimated)	13,918	59,749	19,542,209
2019 (estimated)	13,907	59,493	19,453,561
2020	13,079	58,524	20,201,249
2023 (estimated)	15,331	60,126	19,571,216

Source: U.S. Census Bureau, 2018, 2019, and 2023 are from US Census Bureau Population Estimates Program.

Selected Wealth and Income Indicators

Per capita income statistics are available for the City, County and State. Listed below are select figures from the 2000 Census reports and 2006-2010 and 2016-2020 American Community Survey data.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
City of:						
Oneonta	\$ 18,084	\$ 22,716	\$ 27,061	\$ 53,766	\$ 65,726	\$ 80,802
County of:						
Otsego	22,902	30,223	34,573	56,797	71,686	82,486
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

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Larger Employers

The following are the larger employers within and in close proximity to the City.

<u>Name</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
Bassett Healthcare Network	Not-for Profit Acute Care/Teaching Hospital	4,444
SUNY College at Oneonta	Public Four-Year University	1,140
Springbrook	Residential/Educational Services for Disabled	800
New York Central Mutual Insurance Company	Insurance	643
A.O. Fox Hospital	Hospital	538
County of Otsego	Government	400
Hartwick College	Private Four-Year College	303
Oneonta City School District	Public School	300
Excellus BlueCross/Blue Shield	Insurance	300
Cooperstown All Star Village	Baseball Camp - Seasonal	300
Wal-Mart Stores, Inc.	Retail	275
The ARC Otsego	Community Services	260
Cooperstown Center for Rehabilitation	Medical/Health Care Nursing Home	175
Corning, Inc.	Disposable/sterile plastic Laboratory products	173
Sidney Federal Credit Union	Financial Institution	160
Opportunities for Otsego	Community Services	150
New York Power Authority	Energy Services	130
Oneonta Job Corps	Education / Training	130
Pathfinder Village, Inc	Human Service Agency Non-profit	125
The Daily Star	Daily Newspaper	114
County Club Auto Group	Car Dealership	110
Brook House of Barbeque	Restaurant/catering and bottling unit	100
Gilbertsville-Mt. Upton Central School	Education	100
Otsego Northern Catskills BOCES	Education	100
New York State Electric & Gas	Utility	98
Chestnut Park Rehabilitation & Nursing Care	Nursing Home	85
Community Bank	Retail/Investment Bank	83

Source: Otsego County Chamber of Commerce

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 Otsego County and the Oneonta, NY Micropolitan Statistical Area (MSA). The information set forth below with respect to the County, the Oneonta NY MSA, and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County, the Oneonta NY MSA, or the State is necessarily representative of the City, or vice versa.

	<u>Annual Average</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Oneonta, NY MSA	5.0%	4.4%	4.2%	6.9%	4.4%	3.5	3.8
Otsego County	5.0	4.4	4.2	6.9	4.4	3.4	3.8
New York State	4.7	4.1	4.0	9.9	6.9	4.3	4.2

	<u>2024 Monthly Figures</u>									
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>
Oneonta, NY MSA	5.3%	5.0%	4.6%	3.8%	3.7%	3.8%	4.3%	4.1%	N/A	N/A
Otsego County	5.3	5.0	4.6	3.8	3.7	3.8	4.3	4.1	N/A	N/A
New York State	4.3	4.5	4.2	3.9	4.2	4.3	4.9	4.9	N/A	N/A

Unemployment figures for the months of September and October 2024 are not available as of the date of this Official Statement

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of City Government

The City functions with a Mayor-City Manager-Council form of government. The Mayor, elected city-wide, serves as the Chief Elected Officer, and the Common Council as the policy-making body. The Common Council is made up of eight Council Members, with one elected from each of the eight wards for four-year concurrent terms. The Corporation Counsel is appointed by the Common Council.

The City employs a City Administrator as the Chief Administrative Officer of the City and shall be responsible to the Common Council and Mayor for the administration of all City affairs placed in the City Administrator's charge by or under the City Charter, or by other applicable law, with the primary responsibility of the daily administration of the City, including the supervision of all employees, coordination and delivery of services, and oversight of fiscal management in coordination with the Director of Finance and the Common Council.

Financial Organization

The Director of Finance is the Chief Fiscal Officer of the City, and is responsible for the receiving and collecting of funds. It is the responsibility of the Director of Finance to disburse and account for all financial transactions.

Budgetary Procedures

The Director of Finance assembles a budget for the fiscal year beginning on January 1st based on requests and estimates submitted by department heads. On or before October 15, the Director of Finance works closely with the City Administrator and together, they submit a draft budget to the Mayor and Common Council which includes a detailed statement of estimated revenues and expenses, an itemized statement of indebtedness and an updated five-year capital budget plan. The Common Council shall review the tentative budget for the ensuing year at its first meeting in November, and at the second meeting in November, the Common Council may, by a simple majority vote of its members, revise any budget lines and it shall approve the tentative budget, as amended, for the City's ensuing fiscal year. A public hearing on the proposed budget is held at least one week before the first regular meeting in December, and the Common Council votes on the adoption of the budget at the first regular meeting following the public hearing. The budget is not subject to voter approval.

State Aid

The City receives financial assistance from the State. In its budget for the 2024 fiscal year, approximately 14.19% of the operating revenues of the City are comprised of State aid. The State is not constitutionally obligated to maintain or continue State aid to the City and no assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. Furthermore, if a significant default or other financial crisis should occur in the affairs of New York State 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 Bonds, could be adversely affected.

Employees

The City provides services through approximately 139 full-time employees, 109 of whom are represented by four labor organizations. Employees are represented by various unions as follows:

<u>Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
6	Oneonta Sergeants Benevolent Association	December 31, 2027
17	Oneonta Police Benevolent Association	December 31, 2026
28	Oneonta Professional Firefighters	December 31, 2023 ⁽¹⁾
58	Civil Service Employees' Association	December 31, 2026

Note: The above numbers represent the budgeted number of employees. The City does not reduce the budget for possible vacancies.

⁽¹⁾ Currently under negotiations

Source: City officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the City are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems 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. The Retirement System Law generally provides that all participating employers in each 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 Systems.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non- contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The City’s contributions to the Retirement Systems for the past five completed fiscal years, and the budgeted amount for the current fiscal year, have been as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2018	517,430	778,459
2019	520,843	855,857
2020	522,914	885,662
2021	567,708	1,044,763
2022	431,156	1,042,442
2023	529,989	1,119,050
2024 (Budgeted)	804,121	1,450,500
2024 (Projected)	672,138	1,283,066

Note: The numbers above reflect the actual payments made to the Retirement Systems, rather than the actual expenditures. 2024 Projected figures may vary from actual amounts to be paid in December 2024

Source: City officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The City does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to over 30% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2019 to 2025) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2019	14.9%	23.5%
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the City, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The City amortized its ERS and PFRS contributions in years 2012 through 2015. The City does not anticipate amortizing contributions in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the City’s employees is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational 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 since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits (“OPEB”) refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, 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.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The City is required to adopt the provisions of Statement No. 75 for the year ending December 31, 2018.

Summary of Changes from the Last Valuation. The City contracted with the BPAS, an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending December 31, 2022 and 2023. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Balance at:	<u>January 1, 2022</u>	<u>January 1, 2023</u>
	\$ 48,346,417	\$ 26,201,551
<u>Changes for the year:</u>		
Service cost	1,424,592	948,205
Interest	607,422	1,071,837
Changes in benefit terms	0	(1,237,118)
Changes in assumptions or other inputs	(6,582,021)	1,953,202
Differences between expected and actual experience	(15,923,007)	0
Benefit payments	<u>(1,671,852)</u>	<u>(1,369,291)</u>
Net Changes	<u>\$ (22,144,866)</u>	<u>\$ 1,366,835</u>
Balance at:	<u>December 31, 2022</u>	<u>December 31, 2023</u>
	<u>\$ 26,201,551</u>	<u>\$ 27,568,386</u>

Note: The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The City has reserved \$0 towards its OPEB liability. The City funds this liability on a pay-as-you-go basis.

The City's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the City's finances and could force the City to reduce services, raise taxes or both.

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.

In April 2015, the State Comptroller announced proposed legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposal for an optional investment pool for OPEB liability was not adopted in prior State legislative sessions. It is not known at this time if it will be reintroduced or enacted if introduced.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which bonds and notes are to be issued, is the General City Law and the Local Finance Law.

No principal or interest upon any obligation of this City is past due.

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

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

The City is in compliance with the estoppel procedure as recommended by Bond Counsel.

Financial Statements

The City retains independent Certified Public Accountants. The last audit report is for the period ending December 31, 2023 and has been filed to EMMA and is attached hereto as "APPENDIX – C". Certain financial information may also be found in the Appendices to this Official Statement.

The City complies with the Uniform System of Accounts as prescribed for cities in New York State by the Office of the State Comptroller. Except for the accounting for fixed assets, this System conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units," and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending December 31, 2003 the City was required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as a Management's Discussion and Analysis. However, the implementation of this standard is not a State Comptroller's office requirement. In accordance with GASB 34 and beginning with the fiscal year ending December 31, 2017, the City now presents two additional statements, the statement of net position and the statement of activities, collectively referred to as the "government-wide" financial statements which are presented on the accrual basis of accounting. In addition, reconciliations of fund-based financial statements to the government-wide statements are included.

New York State Comptroller Report of Examination

State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no recent State Comptrollers audits of the City that are currently in progress or pending release.

Note: Reference to websites implies no warranty of accuracy of information therein.

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 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 reports of the State Comptroller for the past three years for the City are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	0.0%
2022	No Designation	3.3%
2021	No Designation	6.7%

Source: Website of the Office of the New York State Comptroller.

Note: Reference to websites implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$ 491,797,425	\$ 493,483,711	\$ 496,054,203	\$ 496,958,625	\$ 496,224,828
New York State Equalization Rate	100.00%	100.00%	92.00%	81.00%	77.00%
Total Taxable Full Valuation	\$ 491,797,425	\$ 493,483,711	\$ 539,189,351	\$ 613,529,167	\$ 644,447,829

⁽¹⁾ Significant change from the previous year due to revaluation.

Tax Rates Per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General City	\$ 9.91	\$ 10.10	\$ 10.28	\$ 10.57	\$ 10.83

Note: 2025 tax rate per \$1,000 is based on preliminary valuations and may differ from final tax roll

Tax Collection Procedure

The City's property taxes are levied annually on or before December 31 of each year for the ensuing calendar year commencing on January 1. Real property values upon which taxes are levied are established as of July 1 of each year. Taxes for City and Library purposes are levied with County taxes as a single tax bill that is due and payable on January 1, and becomes delinquent on February 1. Pursuant to an inter-municipal agreement with the County, the City collects taxes during the four-month collection period from January 1 through April 30. The first moneys received are used to satisfy the total tax levies of the City and the Library; moneys in excess of these levies are remitted to the County. In the event insufficient moneys are received to satisfy the City and Library levies, the County pays the City and Library an amount necessary to satisfy their levies. At the end of the four-month collection period, all unpaid taxes are returned to the County for enforcement. Unpaid school district taxes are turned over to the County of Otsego and are re-levied on the next year's County/City tax bill.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 4,853,248	\$ 4,989,000	\$ 5,105,738	\$ 5,256,854	\$ 5,374,884
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ See "Tax Collection Procedure" herein.

Note: 2025 Tax Levy is based on preliminary valuations and may differ from final tax roll

Larger Taxpayers – 2024 Assessment Roll for 2025 Tax Roll -

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
NYS Electric & Gas	Utility	\$14,936,962
MTL, LLC	Hotel	5,900,000
Elizabeth Hotels, Inc.	Hotel	4,838,000
Norfolk Southern/Delaware & Hudson Railway	Railroad	5,252,621
Wilber & Clark Enterprises	Commercial & Residential Property	5,834,900
Wilber Park Apartments	Housing	4,180,000
LFT Amsterdam, LLC	Retail/Commercial	3,000,000
Campus Heights Apartments	Housings	2,800,000
Fu Hua Joyful, Realty Corp.	Motel	2,450,000
99 Chestnut Street Associates	Retail	2,200,000
Verizon	Utility	2,113,995

The eleven larger taxpayers listed above have a total taxable assessed valuation of \$53,506,478, which represents approximately 10.78% of the tax base of the City for the 2025 fiscal year.

Pilot Agreements

The City has PILOT (payment in lieu of taxes) agreements outstanding with the following entities:

	2024 Assessed Value
Hillside Commons	\$ 18,000,000
Oneonta Housing Authority	7,860,000
Corning Glass, Inc.	3,018,000
Foothills Performing Arts & Civic Center	2,800,000
Oneonta Heights	2,620,000
Klugo Oneonta LLC	890,000
Opportunities For Otsego, Inc.	693,000
McCloskey Community (OURS Associates)	570,000
	<u>\$ 36,451,000</u>

As of the date of this Official Statement, the City does not currently have any pending or outstanding tax certioraris claims that are known or believed to have a material impact on the City.

Source: City Tax Rolls.

Sales Tax

During 1991 the City adopted a resolution to preempt the County of Otsego's sales tax effective March 1, 1992. This would have shifted one-half of the tax generated within the City directly to the City and forced the County to distribute revenue to the Towns and Villages outside of the City. Because the County sales tax rate was 2%, the preemption also would have resulted in a higher tax rate within the City, than outside the City. As an alternative, the City and County negotiated a sales tax sharing agreement whereby the City repealed its preemption; the County raised its tax rate to 3%, and now shares 12% of the sales tax revenues with the City, and 12% with the Towns and Villages in the County. Additionally, as of December 1, 2003, the County raised its tax rate to 4%, such increase being subject to the tax sharing agreement.

The sales tax as recorded by the City for the past ten fiscal years, budgeted amount for the 2024 fiscal year, along with sales revenue to date for the 2024 fiscal year, is as shown in the following table.

<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>
2014	4,311,026
2015	4,243,230
2016	4,208,378
2017	4,429,399
2018	4,684,706
2019	4,842,640
2020	4,430,073
2021	5,370,627
2022	5,810,299
2023	6,042,494
2024 (Budgeted)	5,400,000
2024 (As of September 30, 2024)	3,748,981

Source: City officials.

Constitutional Tax Margin

Computation of Constitutional Tax Margin for the fiscal years ending December 31:

<u>Fiscal Year Ending December 31:</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Five Year Average Full Valuation.....	\$ 556,489,497	\$ 525,476,941	\$ 500,976,633
Tax Limit - (2%).....	11,129,790	10,509,539	10,019,533
Add: Exclusions from Tax Limit.....	1,224,774	1,222,167	1,111,420
Total Taking Power.....	\$ 12,354,564	\$ 11,731,706	\$ 11,130,953
Less: Total Levy.....	5,374,884	5,256,854	5,105,738
Constitutional Tax Margin.....	<u>\$ 6,979,680</u>	<u>\$ 6,474,852</u>	<u>\$ 6,025,215</u>

Source: City officials.

Tax Information

Real property located in the City is assessed by the City Assessor.

Veterans and senior citizens' exemptions are offered to those who qualify. On February 18, 2020 the City of Oneonta Common Council adopted a Real Property Tax Reduction for Low Income Senior Citizens pursuant to Section 467 of the New York State Property Tax Law using a sliding scale based upon annual income to determine the percentage of assessed value that becomes exempt for taxation.

The estimated total annual property tax bill for 2024 of a \$100,000 market value residential property located in the City is approximately \$ 3,580 including City, County, Library and School District taxes.

The City assessment roll is estimated to be comprised of the following types of properties: 81% residential, 16% commercial, 2% public service, and 1% industrial.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011, as amended,(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, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implications thereof.

The Tax Levy Limitation 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. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. 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 Law (June 24, 2011).

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and its indebtedness (including the Bonds), include the following provisions:

Purpose and Pledge. Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment unless the City determines to issue debt amortized on the basis of 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.

Debt Limit. Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the City is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

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

Pursuant to the Local Finance Law and its Charter, the City authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Common Council, the finance board of the City. Customarily, the Common Council has delegated to the Director of Finance, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- (3) An action contesting such validity, is commenced within twenty days after the date of such publication, or,

Such obligations are authorized in violation of the provisions of the Constitution.

The City generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the City, but it is not an absolute legal requirement.

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 subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The City has authorized bonds for a variety of City objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein.)

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget, deficiency and capital notes (see “Details of Outstanding Indebtedness” herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31st:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 11,692,813	\$ 13,539,000	\$ 12,360,000	\$ 21,576,540	\$ 20,119,283
Bond Anticipation Notes	0	2,193,459	7,557,154	0	0
Other Obligations ⁽¹⁾	<u>2,048,111</u>	<u>1,816,472</u>	<u>1,578,264</u>	<u>1,333,286</u>	<u>1,081,351</u>
Totals	\$ 13,740,924	\$ 17,548,931	\$ 21,495,418	\$ 22,909,826	\$ 21,200,634

⁽¹⁾ Represents an Energy Performance Contract financing, which does not constitute general obligation debt but does county towards the debt limit. See “Other Obligations” herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the City evidenced by bonds and notes as of October 25, 2024.

<u>Type of Obligation</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2022-2052	\$ 18,634,303
<u>Bond Anticipation Notes</u>	-----	<u>0</u>
	Total Debt Outstanding	<u>\$ 18,634,303</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of October 25, 2024:

Five-Year Average Full Valuation of Taxable Real Property.....	\$ 556,489,496
Debt Limit - 7% thereof	38,954,265

Inclusions:

Bonds.....	\$ 18,634,303
Bond Anticipation Notes	<u>0</u>
Total Inclusions	<u>\$ 18,634,303</u>

Exclusions:

Sewer Debt (1).....	\$ 8,620,948
Water Debt (2).....	4,915,384
Appropriations	<u>0</u>
Total Exclusions	<u>\$ 13,536,332</u>

Total Net Indebtedness.....	<u>\$ 5,097,971</u> ⁽³⁾
Net Debt-Contracting Margin	<u>\$ 33,856,294</u>
The percent of debt contracting power exhausted is	13.09%

⁽¹⁾ Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law. The City has applied for and received the exclusion for certain sewer indebtedness outstanding. .

⁽²⁾ Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

⁽³⁾ Does not include energy performance contract financing. See “Other Obligations” herein

Note: Issuance of the Notes will increase Net Indebtedness of the City \$6,000,000.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The City has not found it necessary to borrow revenue or tax anticipation notes, nor budget or deficiency notes in the past and does not anticipate the need for borrowing them in the foreseeable future, unless it is required to implement portions of the Downtown Revitalization Initiative \$10 million grant and related grants for which payment is based on reimbursement of expenditures. Such borrowing could also be by bond anticipation notes.

Other Obligations

The City issued an Energy Performance Contract financing in July 2012 in the amount of \$3.5 million. The interest rate is 2.84% with annual payments until 2027. As of December 31, 2023, \$1,081,351 principal remains outstanding. This financing does not constitute general obligation debt of the City but does count toward the City debt limit.

Aggregate annual debt service of installment purchase debt payable is as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2024	259,090	30,710
2025	266,448	23,352
2026-2027	<u>555,813</u>	<u>23,788</u>
TOTALS	\$ 1,081,351	\$ 77,851

Source: Financial statements of the City.

Estimate of Obligations to be Issued

Street reconstruction projects are anticipated during 2024 and beyond. These projects are to be funded by a combination of current funds, New York State Highway aid, capital reserves, and serial bonds.

On March 7, 2023, the City approved a bond resolution in the amount of \$8,072,625 for Water System Improvements which shall be reduced to the extent of grants received in connection therewith, there being \$5,000,000 grants anticipated. The City and EFC recently approved an interest-free short-term financing agreement for the local portion, the interest-free long-term financing will be completed at the end of the project.

On June 6, 2023, the City approved a bond resolution in the amount of \$1,225,000 for Water Main Replacement for section of River and Ann Streets. It is anticipated that borrowing will take place in late 2025.

On June 6, 2023, the City approved a bond resolution in the amount of \$5,523,000 for the Wastewater Treatment Plant Improvements Phase II project, which shall be reduced to the extent of grants received in connection therewith, there being \$2,626,500 grants anticipated. This project has been approved for interest free short term financing through NYS EFC which will be converted to long term interest free financing upon project completion. The City has also applied for an additional \$2.3 million grant from the DEC Water Quality Improvement program which will reduce the City's responsibility of the financing to an estimated \$326,500

On December 5, 2023, the City approved a bond resolution in the amount of \$7,500,000 for the Downtown Revitalization Project located on Market Street and Water Street areas. The proceeds of the Notes represents the initial financing for this project.

On December 19, 2023, the City approved a bond resolution in the amount of \$1,905,000 for the purchase of a Fire Truck. Financing is anticipated to take place in 2028 prior to delivery of the Fire Truck.

The City considers its capital needs on an annual basis. See "Capital Plan Summary" herein.

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Capital Plan Summary

The City's Capital Plan Projection is an internal working document to be used by Common Council and administrators as well as the City's municipal advisor and bond counsel. It provides a financial plan through which borrowing can be organized and scheduled and debt service impacts on future annual operating budgets can be predicted.

	General	General Reserve	Water	Water Reserve	Sewer	Sewer Reserve	Outside Source	Bond	Enterprise	Internal Service	Total
Streets & Utilities											
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,965,000	\$ 2,170,000	\$ -	\$ -	\$ 10,135,000
2023	300,000	300,000	100,000	-	200,000	-	2,745,000	1,540,000	-	-	5,185,000
2024	300,000	-	175,000	-	200,000	-	2,330,000	980,000	-	-	3,985,000
2025	300,000	-	180,000	-	20,000	-	380,000	-	-	-	880,000
2026	300,000	485,000	250,000	-	10,000	-	345,000	-	-	-	1,390,000
	<u>\$ 1,200,000</u>	<u>\$ 785,000</u>	<u>\$ 705,000</u>	<u>\$ -</u>	<u>\$ 430,000</u>	<u>\$ -</u>	<u>\$ 13,765,000</u>	<u>\$ 4,690,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,575,000</u>
Facilities											
2022	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,065,000	\$ 3,911,000	\$ 7,680,000	\$ 25,000	\$ 15,711,000
2023	393,500	100,000	30,000	-	30,000	-	3,556,500	-	50,000	-	4,160,000
2024	509,500	-	-	-	-	-	6,855,500	-	7,000,000	-	14,365,000
2025	165,000	-	-	-	-	-	3,135,000	-	-	-	3,300,000
2026	125,000	-	-	-	-	-	665,000	-	-	-	790,000
	<u>\$ 1,223,000</u>	<u>\$ 100,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 18,277,000</u>	<u>\$ 3,911,000</u>	<u>\$ 14,730,000</u>	<u>\$ 25,000</u>	<u>\$ 38,326,000</u>
Parks											
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,000	\$ -	\$ -	\$ -	\$ 190,000
2023	15,000	-	-	-	-	-	285,000	-	-	-	300,000
2024	60,000	-	-	-	-	-	310,000	-	-	-	370,000
2025	32,500	-	-	-	-	-	352,500	1,185,000	-	-	1,570,000
2026	220,000	-	-	-	-	-	-	-	-	-	220,000
	<u>\$ 327,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,137,500</u>	<u>\$ 1,185,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,650,000</u>
Fleet & Equipment											
2022	\$ 105,000	\$ 212,500	\$ 35,000	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,500
2023	841,666	592,500	66,667	-	-	66,667	1,000,000	400,000	520,000	8,500	3,496,000
2024	1,115,834	-	53,333	-	-	53,333	-	-	50,000	-	1,272,500
2025	363,334	-	53,333	-	-	53,333	-	-	100,000	6,000	576,000
2026	332,000	-	27,500	-	-	27,500	-	-	-	-	387,000
	<u>\$ 2,757,834</u>	<u>\$ 805,000</u>	<u>\$ 235,833</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 200,833</u>	<u>\$ 1,000,000</u>	<u>\$ 400,000</u>	<u>\$ 670,000</u>	<u>\$ 14,500</u>	<u>\$ 6,129,000</u>
Water Facilities											
2022	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 2,650,000	\$ -	\$ -	\$ 5,730,000
2023	-	-	100,000	-	-	-	-	-	-	-	100,000
2024	-	-	29,000	-	-	-	750,000	465,000	-	-	1,244,000
2025	-	-	28,000	-	-	-	540,000	360,000	-	-	928,000
2026	-	-	150,000	-	-	-	-	-	-	-	150,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,290,000</u>	<u>\$ 3,475,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,152,000</u>
Wastewater Facilities											
2022	\$ -	\$ -	\$ -	\$ -	\$ 124,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,500
2023	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	4,000	-	902,500	2,707,500	-	-	3,614,000
2025	-	-	-	-	190,000	-	-	-	-	-	190,000
2026	-	-	-	-	400,000	-	-	-	-	-	400,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 718,500</u>	<u>\$ -</u>	<u>\$ 902,500</u>	<u>\$ 2,707,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,328,500</u>
Totals:	<u>\$ 5,508,334</u>	<u>\$ 1,690,000</u>	<u>\$ 1,357,833</u>	<u>\$ 45,000</u>	<u>\$ 1,178,500</u>	<u>\$ 200,833</u>	<u>\$ 39,372,000</u>	<u>\$ 16,368,500</u>	<u>\$ 15,400,000</u>	<u>\$ 39,500</u>	<u>\$ 81,160,500</u>

Source: City officials

Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. The estimated net outstanding indebtedness of such political subdivisions, as of the close of its fiscal year ending, is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Otsego	12/31/2022	\$ 6,000,000 ⁽⁴⁾	\$ - ⁽²⁾⁽⁶⁾	\$ 6,000,000	9.68%	\$ 580,800
School District:						
Oneonta	6/18/2024	18,992,473 ⁽³⁾	14,681,182 ⁽⁵⁾	4,311,291	45.62%	<u>1,966,811</u>
					Total:	<u>\$ 2,547,611</u>

- (1) Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross Indebtedness sourced from local government data provided by the State Comptroller’s office dated as of February 13, 2024.
- (5) Estimated State Building Aid
- (6) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios related to the City's Net Indebtedness as of October 25, 2024.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 5,097,971	\$ 332.53	0.79%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	7,645,582	498.70	1.19

- (a) The City's current population is estimated to be 15,331. (See "THE CITY – Population Trends" herein.)
- (b) The City's full valuation of taxable real estate for the 2025 fiscal year is \$644,447,829. (See "TAX INFORMATION - Taxable Valuations" herein.)
- (c) See "Debt Statement Summary" for the calculations of Net Indebtedness, herein.
- (d) The City's applicable share of Net Overlapping Indebtedness is estimated to be \$2,547,611. (See "Estimated Overlapping Indebtedness" herein.)

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 the City, 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 the 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 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 has not requested FRB assistance, nor does it reasonably expect to do 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.

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 risk.

The financial 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 in the country, 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 their respective 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 this year or future years, 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 several recent 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 "THE CITY - 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 Bond 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 enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the City without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the City, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

The spread of the novel Covid-19 virus across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added "disease outbreak" to the definition of "disaster" (which already includes "epidemic") in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020.

Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same.

While the virus may directly affect revenue streams supporting debt such as that issued by port and airport authorities, it is not possible to determine or reasonably predict at this time whether there could also be a material impact on local municipal and school district budgets, or state and local resources to meet their obligations supporting same. The City is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

Cybersecurity. The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

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, 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 (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 Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

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 Notes. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. 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 Notes may adversely affect the value of, or the tax status of interest on, the Notes. 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 Notes.

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 Notes) 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 Notes 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 Notes 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 Notes 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 Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made which would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. 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 Notes. Prospective purchasers of the Notes 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.

LEGAL MATTERS

Legal matters incident 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 - E".

LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City Attorney does not believe, however, that such suits, individually or in the aggregate, if decided adversely to the City, are likely to have a material adverse effect on the financial condition of the City.

There is currently one pending action in which the City is a named defendant, with slight, but possible financial implications. That action relates to a pedestrian fatality that occurred on a New York State owned and controlled highway but which is located within the City boundaries. This case is being vigorously defended by the City's insurance carrier and it is the opinion of the City that even if there were a finding against the City, that any damages would be within the limits of current insurance coverage.

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 the issuance, sale or delivery of the Bonds 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.

CONTINUING DISCLOSURE

In order to assist the Underwriter (as herein defined) in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the City will enter into a Continuing Disclosure Undertaking, the summary of which is attached hereto as “APPENDIX – C”.

Historical Compliance

Other than noted below, the City is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The City failed to provide annual financial information, consisting of its unaudited financial statements in the form provided to the State (the “Annual Financial Update Report Document”) for the fiscal year ending December 31, 2020 and Annual Financial Information and Operating Data (“AFIOD”) for the fiscal year ending December 31, 2020 as required by the City’s outstanding undertaking agreements. The Annual Financial Update Report Document for fiscal year ending December 31, 2020 was filed on July 30, 2021, the AFIOD for fiscal year ending December 31, 2020 was filed on June 29, 2022. The City provided notice of its failure to file for the Annual Financial Update Report Document and AFIOD on July 13, 2021.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, 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. 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. The fees to be paid by the City to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City provided, however; the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the City and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the City, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement. (See “APPENDIX – C” herein).

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P Global”) has assigned its underlying rating of “AA-” with a stable outlook to the City’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P Global Ratings, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective 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 the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management's beliefs as well as assumptions made by, and information currently available to, the City's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City's files with the repositories. When used in City documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the City, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the City will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the City.

The Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.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. Fiscal Advisors & Marketing, 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 Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, 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. Fiscal Advisors & Marketing, Inc. and the City also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City's contact information is as follows: Virginia M. Lee, Director of Finance, City of Oneonta, City Hall, 258 Main Street, Oneonta, New York 13820, Phone: (607) 432-0560, Telefax: (607) 433-3429, Email: vlee@oneonta.ny.us.

This Official Statement has been duly executed and delivered by the Director of Finance of the City of Oneonta, Otsego County, New York.

CITY OF ONEONTA

Dated: October 25, 2024

VIRGINIA M. LEE
Director of Finance & Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,767,572	\$ 2,481,650	\$ 3,482,124	\$ 3,921,871	\$ 3,371,334
Cash and Cash Equivalents - Restricted	391,040	213,297	264,330	305,800	358,383
Investments	2,045,474	2,695,073	3,657,167	3,892,842	1,151,483
Investments-Restricted	5,351,488	4,785,358	4,234,077	4,760,185	5,744,761
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
State and Federal	-	-	-	-	-
Other	263,869	215,333	314,748	327,024	357,239
Due from Other Governments	982,062	1,198,403	907,932	886,848	848,361
Due from Other Funds	1,952,007	1,715,352	2,513,540	3,308,834	5,008,858
Inventory	30,349	11,648	19,484	17,680	20,986
Prepaid Expenses	168,450	207,164	219,872	180,994	223,707
TOTAL ASSETS	\$ 13,952,311	\$ 13,523,278	\$ 15,613,274	\$ 17,602,078	\$ 17,085,112
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 263,361	\$ 287,874	\$ 343,169	\$ 247,869	\$ 257,395
Accrued Liabilities	214,964	306,181	287,504	292,305	333,602
Customer deposits	-	10,225	18,175	22,175	27,025
Other Liabilities	-	-	-	-	-
Due to Other Funds	302,887	-	5,100	5,100	-
Due to Other Governments	1,540	761	2,143	1,242	3,806
Accrued Employee Compensated Absences	12,441	26,349	22,614	-	3,060
Deferred Revenue	158,650	311,290	261,956	184,184	151,764
Other Payable	-	8,192	719,997	1,153,411	277,298
TOTAL LIABILITIES	953,843	950,872	1,660,658	1,906,286	1,053,950
FUND EQUITY					
Nonspendable	\$ 198,799	\$ 218,812	\$ 239,356	\$ 198,674	\$ 244,693
Restricted	5,439,642	4,998,655	4,365,292	5,065,985	6,087,947
Unreserved:					
Assigned	503,226	1,222,775	565,022	1,393,488	2,262,120
Unassigned	6,856,804	6,132,164	8,782,946	9,037,645	7,436,402
TOTAL FUND EQUITY	12,998,471	12,572,406	13,952,616	15,695,792	16,031,162
TOTAL LIABILITIES and FUND EQUITY	\$ 13,952,314	\$ 13,523,278	\$ 15,613,274	\$ 17,602,078	\$ 17,085,112

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 4,676,252	\$ 4,676,252	\$ 4,758,086	\$ 4,853,248	\$ 4,989,000
Real Property Tax Items	176,101	180,889	219,676	247,891	218,050
Non-Property Tax Items	4,913,176	5,075,300	4,632,561	5,580,341	6,027,227
Departmental Income	1,478,153	1,325,285	962,833	1,267,822	1,429,055
Intergovernmental Charges	1,108,826	1,181,676	1,095,260	1,223,866	1,329,287
Use of Money & Property	119,127	278,600	83,737	27,228	146,708
Licenses and Permits	72,900	81,335	56,157	110,080	76,594
Fines and Forfeitures	247,763	202,078	86,277	111,545	143,887
Sale of Property and Compensation for Loss	82,394	99,285	146,636	381,644	84,576
Miscellaneous	79,008	61,216	69,928	76,395	67,808
Revenues from State Sources	2,692,921	2,460,599	2,457,490	2,477,430	2,497,929
Revenues from Federal Sources	2,715	251,579	57,447	56,049	282,433
Interfund Revenues	373,290	379,338	359,290	362,502	355,850
Total Revenues	\$ 16,022,626	\$ 16,253,432	\$ 14,985,378	\$ 16,776,041	\$ 17,648,404
EXPENDITURES					
General Government Support	\$ 2,760,975	\$ 2,582,217	\$ 2,642,787	\$ 2,574,186	\$ 2,564,894
Public Safety	6,992,758	7,487,900	7,198,553	7,827,307	7,935,826
Health	-	-	29,904	8,857	4,955
Transportation	1,776,054	2,610,232	1,831,515	1,871,696	1,852,181
Economic Assistance and Opportunity	30,618	52,011	3,625	20,804	67,046
Culture and Recreation	695,954	696,338	651,334	761,146	793,270
Home and Community Services	315,232	264,487	374,207	375,132	345,303
Employee Benefits	1,136,262	1,107,843	1,075,920	1,121,671	1,203,888
Debt Service	772,910	764,630	764,074	749,858	756,827
Total Expenditures	\$ 14,480,763	\$ 15,565,658	\$ 14,571,919	\$ 15,310,657	\$ 15,524,190
Excess of Revenues Over (Under) Expenditures	1,541,863	687,774	413,459	1,465,384	2,124,214
Other Financing Sources (Uses):					
Operating Transfers In	133,185	5,346	109,185	5,360	3,755
Operating Transfers Out	(477,520)	(1,536,637)	(948,706)	(90,534)	(384,793)
Total Other Financing	(344,335)	(1,531,291)	(839,521)	(85,174)	(381,038)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,197,528	(843,517)	(426,062)	1,380,210	1,743,176
FUND BALANCE					
Fund Balance - Beginning of Year	12,644,457	13,841,985	12,998,468	12,572,406	13,952,616
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ 13,841,985	\$ 12,998,468	\$ 12,572,406	\$ 13,952,616	\$ 15,695,792

Source: Audited financial reports of the City. Summary itself not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2023			2024
	Adopted Budget	Modified Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 5,105,738	\$ 5,105,738	\$ 5,105,738	\$ 5,256,854
Real Property Tax Items	221,500	221,500	214,768	243,000
Non-Property Tax Items	5,187,000	5,187,000	6,288,741	5,605,000
Departmental Income	1,218,000	1,210,500	1,487,266	1,336,000
Intergovernmental Charges	1,362,329	1,362,329	1,362,879	1,413,000
Use of Money & Property	60,000	60,000	576,805	220,000
Licenses and Permits	59,150	59,150	114,235	65,200
Fines and Forfeitures	100,000	100,000	132,304	115,000
Sale of Property and Compensation for Loss	50,000	103,000	131,005	46,000
Miscellaneous	5,000	9,420	71,067	5,000
Revenues from State Sources	2,431,897	2,470,897	2,458,444	2,425,097
Revenues from Federal Sources	-	875,000	964,418	-
Interfund Revenues	351,400	351,400	356,000	362,000
Total Revenues	\$ 16,152,014	\$ 17,115,934	\$ 19,263,670	\$ 17,092,151
EXPENDITURES				
General Government Support	\$ 3,253,733	\$ 3,206,839	\$ 2,759,798	\$ 3,528,437
Public Safety	8,752,731	9,356,483	8,349,640	10,077,015
Health	5,500	5,500	2,500	4,000
Transportation	2,230,023	2,556,978	1,885,768	2,488,460
Economic Assistance and Opportunity	69,100	110,230	109,298	87,500
Culture and Recreation	1,032,223	1,024,529	849,249	900,625
Home and Community Services	423,309	461,527	395,316	454,800
Employee Benefits	1,196,000	1,196,000	1,114,889	1,057,000
Debt Service	786,901	786,901	786,885	785,610
Total Expenditures	\$ 17,749,520	\$ 18,704,987	\$ 16,253,343	\$ 19,383,447
Excess of Revenues Over (Under) Expenditures	(1,597,506)	(1,589,053)	3,010,327	(2,291,296)
Other Financing Sources (Uses):				
Appropriated Reserves	455,760	-	-	457,000
Operating Transfers In	20,400	38,835	230,356	-
Operating Transfers Out	-	(2,967,413)	(2,905,313)	-
Total Other Financing	476,160	(2,928,578)	(2,674,957)	457,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,121,346)	(4,517,631)	335,370	(1,834,296)
FUND BALANCE				
Fund Balance - Beginning of Year	1,121,346	4,517,631	15,695,792	1,834,296
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 16,031,162	\$ -

Source: 2023 Audited Financial Reports and 2024 adopted budgets of the City. Summary itself not audited.

CHANGE IN FUND EQUITY

Fiscal Year Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>SPECIAL GRANT FUND</u>					
Fund Equity - Beginning of Year	\$ 353,695	\$ (46,739)	\$ 50,884	\$ 199,031	\$ 214,201
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,248,367	1,505,344	940,501	428,067	300,258
Expenditures & Other Uses	2,648,801	1,407,721	792,354	412,897	303,898
Fund Equity - End of Year	\$ (46,739)	\$ 50,884	\$ 199,031	\$ 214,201	\$ 210,561
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 941,796	\$ 1,206,941	\$ 1,135,395	\$ 995,726	\$ 1,046,269
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,765,191	2,391,365	2,717,700	2,925,504	3,683,017
Expenditures & Other Uses	2,500,046	2,462,911	2,857,369	2,874,961	2,849,392
Fund Equity - End of Year	\$ 1,206,941	\$ 1,135,395	\$ 995,726	\$ 1,046,269	\$ 1,879,894
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 1,620,795	\$ 1,598,525	\$ 1,764,617	\$ 1,621,684	\$ 1,801,252
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,334,811	2,078,107	2,295,870	2,402,433	2,749,799
Expenditures & Other Uses	2,357,081	1,912,015	2,438,803	2,222,865	2,321,463
Fund Equity - End of Year	\$ 1,598,525	\$ 1,764,617	\$ 1,621,684	\$ 1,801,252	\$ 2,229,588
<u>PUBLIC LIBRARY FUND</u>					
Fund Equity - Beginning of Year	\$ 352,672	\$ 454,495	\$ 436,733	\$ 388,351	\$ 407,331
Prior Period Adjustments (net)	-	(6)	-	-	-
Revenues & Other Sources	884,163	851,985	-	18,980	83,030
Expenditures & Other Uses	782,340	869,741	48,382	-	-
Fund Equity - End of Year	\$ 454,495	\$ 436,733	\$ 388,351	\$ 407,331	\$ 490,361

Source: Audited financial reports of the City. Summary itself not audited.

APPENDIX - B
City of Oneonta

BONDED DEBT SERVICE

Fiscal Year Ending Dec 31st	Principal	Interest	Total
2024	\$ 1,484,980	\$ 389,216.74	\$ 1,874,196.74
2025	1,404,980	352,212.52	1,757,193
2026	1,439,843	312,812.52	1,752,656
2027	1,484,980	270,862.52	1,755,843
2028	1,529,980	227,962.52	1,757,943
2029	1,439,980	186,212.52	1,626,193
2030	1,479,980	149,593.77	1,629,574
2031	1,319,980	118,525.02	1,438,505
2032	1,349,980	89,518.77	1,439,499
2033	1,029,980	63,637.52	1,093,618
2034	714,980	45,562.54	760,543
2035	729,980	32,050.00	762,030
2036	394,980	17,700.00	412,680
2037	399,980	14,300.00	414,280
2038	399,980	10,800.00	410,780
2039	404,980	7,300.00	412,280
2040	409,980	3,700.00	413,680
2041	224,980		224,980
2042	224,980		224,980
2043	224,980		224,980
2044	224,980		224,980
2045	224,980		224,980
2046	224,980		224,980
2047	224,980		224,980
2048	224,980		224,980
2049	224,980		224,980
2050	224,980		224,980
2051	224,980		224,980
2052	224,980		224,980
2053	-	-	-
TOTALS	\$ 20,119,283	\$ 2,291,966.96	\$ 22,411,249.96

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2012E EFC (Refinancing of 2002F)		
	Principal	Interest	Total
2024	\$ 115,000	\$ 3,554.22	\$ 118,554.22
TOTALS	\$ 115,000	\$ 3,554.22	\$ 118,554.22

Note: The interest listed above for the EFC financings does not include a subsidy credit.

Fiscal Year Ending Dec 31st	2017 Various Improvements			2018 Current Refunding of 2008 & 2010 Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 250,000	\$ 78,100.00	\$ 328,100.00	\$ 255,000	\$ 63,850.00	\$ 318,850.00
2025	255,000	73,050.00	328,050.00	265,000	53,450.00	318,450.00
2026	265,000	66,525.00	331,525.00	270,000	42,075.00	312,075.00
2027	270,000	58,500.00	328,500.00	290,000	30,200.00	320,200.00
2028	280,000	50,250.00	330,250.00	300,000	18,400.00	318,400.00
2029	290,000	41,700.00	331,700.00	175,000	8,900.00	183,900.00
2030	300,000	32,850.00	332,850.00	180,000	2,700.00	182,700.00
2031	305,000	23,775.00	328,775.00	-	-	-
2032	315,000	14,475.00	329,475.00	-	-	-
2033	325,000	4,875.00	329,875.00	-	-	-
TOTALS	\$ 2,855,000	\$ 444,100.00	\$ 3,299,100.00	\$ 1,735,000	\$ 219,575.00	\$ 1,954,575.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2020 Refunding of 2013 Serial Bonds			2020 Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 270,000	\$ 85,450.00	\$ 355,450.00	\$ 130,000	\$ 53,100.00
2025	275,000	77,250.00	352,250.00	135,000	50,500.00	185,500.00
2026	290,000	65,950.00	355,950.00	135,000	47,800.00	182,800.00
2027	295,000	54,250.00	349,250.00	140,000	45,100.00	185,100.00
2028	310,000	42,150.00	352,150.00	145,000	42,300.00	187,300.00
2029	325,000	29,450.00	354,450.00	145,000	39,400.00	184,400.00
2030	335,000	19,181.25	354,181.25	150,000	36,500.00	186,500.00
2031	340,000	11,587.50	351,587.50	150,000	33,500.00	183,500.00
2032	345,000	3,881.25	348,881.25	155,000	30,500.00	185,500.00
2033	-	-	-	160,000	27,400.00	187,400.00
2034	-	-	-	160,000	24,200.00	184,200.00
2035	-	-	-	165,000	21,000.00	186,000.00
2036	-	-	-	170,000	17,700.00	187,700.00
2037	-	-	-	175,000	14,300.00	189,300.00
2038	-	-	-	175,000	10,800.00	185,800.00
2039	-	-	-	180,000	7,300.00	187,300.00
2040	-	-	-	185,000	3,700.00	188,700.00
TOTALS	\$ 2,785,000	\$ 389,150.00	\$ 3,174,150.00	\$ 2,655,000	\$ 505,100.00	\$ 3,160,100.00

Fiscal Year Ending Dec 31st	2022 Various Projects			2022 EFC - Clean Water		
	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 240,000	\$ 105,162.50	\$ 345,162.50	\$ 224,980	\$ -
2025	250,000	97,962.50	347,962.50	224,980	-	224,980.00
2026	255,000	90,462.50	345,462.50	224,843	-	224,843.00
2027	265,000	82,812.50	347,812.50	224,980	-	224,980.00
2028	270,000	74,862.50	344,862.50	224,980	-	224,980.00
2029	280,000	66,762.50	346,762.50	224,980	-	224,980.00
2030	290,000	58,362.50	348,362.50	224,980	-	224,980.00
2031	300,000	49,662.50	349,662.50	224,980	-	224,980.00
2032	310,000	40,662.50	350,662.50	224,980	-	224,980.00
2033	320,000	31,362.50	351,362.50	224,980	-	224,980.00
2034	330,000	21,362.50	351,362.50	224,980	-	224,980.00
2035	340,000	11,050.00	351,050.00	224,980	-	224,980.00
2036	-	-	-	224,980	-	224,980.00
2037	-	-	-	224,980	-	224,980.00
2038	-	-	-	224,980	-	224,980.00
2039	-	-	-	224,980	-	224,980.00
2040	-	-	-	224,980	-	224,980.00
2041	-	-	-	224,980	-	224,980.00
2042	-	-	-	224,980	-	224,980.00
2043	-	-	-	224,980	-	224,980.00
2044	-	-	-	224,980	-	224,980.00
2045	-	-	-	224,980	-	224,980.00
2046	-	-	-	224,980	-	224,980.00
2047	-	-	-	224,980	-	224,980.00
2048	-	-	-	224,980	-	224,980.00
2049	-	-	-	224,980	-	224,980.00
2050	-	-	-	224,980	-	224,980.00
2051	-	-	-	224,980	-	224,980.00
2052	-	-	-	224,980	-	224,980.00
TOTALS	\$ 3,450,000	\$ 730,487.50	\$ 4,180,487.50	\$ 6,524,283	\$ -	\$ 6,524,283.00

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the City has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the City
- (m) 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
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) 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 Note holders, if material; and
- (p) 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 (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) 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 (l) 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 (o) and (p), 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 the Rule.

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

The City reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the City’s obligations under its material event notices undertaking and any failure by the City to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in a manner consistent with the Rule, with the approving opinion of nationally recognized bond counsel.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

See “CONTINUING DISCLOSURE – Historical Compliance” for an overview of the City’s past historical compliance.

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CITY OF ONEONTA

AUDITED FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDING DECEMBER 31, 2023

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.



City of Oneonta, New York

Financial Report
December 31, 2023

City of Oneonta, New York

Financial Report
December 31, 2023

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Independent Auditor's Report

Mayor and Members of the Common Council
City of Oneonta, New York
Oneonta, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Oneonta, New York (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompany table of contents on pages 4 to 12 and 60 to 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the accompanying table of contents on pages 63 to 67 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the accompanying table of contents on pages 63 to 67 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
September 26, 2024



City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

This section of the City of Oneonta, New York's (City) annual financial report presents its discussion and analysis of the City's financial performance during the year ended December 31, 2023. Please read it in conjunction with the City's financial statements, which immediately follow this section.

Summary

For the year ended December 31, 2023, the City was successful in continuing to maintain a healthy and stable financial position by completing the year with a surplus of \$335,370 within the General Fund and being able to provide \$2,905,313 of funding for various projects.

Upon adoption of the 2023 budget, the City anticipated the General Fund to have an increase of \$345,268 in revenues and an increase of \$1,357,355 in expenditures, which resulted in appropriating \$1,121,346 in fund balance. However, due to realizing over \$1 million more in sales tax than budgeted, and realizing savings in expenditures primarily due to vacancies, the General Fund realized a surplus.

The City's Water Fund and Sewer Fund are also beginning to build a stronger fund balance, which is greatly needed for infrastructure and service demands.

As always, it is the City's goal to continue to work diligently to meet the challenges of providing vital services to the community with minimum staffing and limited revenue sources.

In reviewing the attached financial statements, it is important to recognize the City's history in maintaining its financial stability. The decisions made by those who served over many years built a strong financial foundation for the City, and that foundation has provided the strength needed to endure a variety of challenges over the years, such as, but not limited to, the pandemic, damaging storms/floods, unfunded mandates, and slow tax base growth.

The following highlights have assisted in preserving long-term financial solvency, while building fund balance and investing in capital equipment, facilities, and infrastructure:

- The utilization of a multi-year planning tool to forecast financial trends and capital needs, which results in proactive budgeting and financial planning.
- Continued strength in unassigned fund balance with closely monitored operations and budgeting controls.
- The commitment of surplus to reserve funds for one-time equipment purchases and infrastructure and facility improvements.
- The formal adoption of financial policies, including a Fund Balance Policy, Investment Policy, and Debt Management Policy.
- Successful implementation of grant awards.

Financial Highlights

As of the close of 2023, the City's governmental funds reported a combined ending fund balance of \$21,967,958, which was an increase of \$1,355,151 compared to the prior year. The changes are as follows:

- The General Fund increased \$335,370 primarily due to increases in sales tax revenues, departmental income, interest earnings, and tax levies, and a savings in personnel costs due to vacancies.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

- The Water Fund increased \$833,625 primarily due to timber sales, and the Sewer Fund increased \$428,336. The City has implemented a “slow and steady” plan for increasing water and sewer rates to meet the operational costs for the plants, meet current infrastructure needs, and prepare for future infrastructure investment.
- The Miscellaneous Special Revenue Fund increased \$582,492 primarily due to transferring funds received from timber sales and reserving said funds for the community landscaping program.
- The Community Development Fund decreased \$3,640.
- The Capital Projects Fund decreased \$839,290 primarily due to anticipated financing for various capital projects.
- The Debt Service Fund increased \$18,258.

The City maintained compliance with the New York State Tax Cap provisions. The City’s 2023 tax levy was \$5,105,738, for an increase of \$116,738 (2.34%), with the tax rate increasing by \$0.1795 (1.78%). The Huntington Memorial Library’s (Library) 2023 tax levy was \$540,650, for an increase of \$44,718 (9.02%), with the tax rate increasing by \$0.0846 (8.55%). Refer to Note 11 for further information regarding property taxes.

The City’s total bonds payable decreased by \$1,457,257 during the year.

The City’s Installment Purchase Debt decreased by \$251,935.

Highlights for the total 2023 Capital Projects Fund expenditures are as follows:

Street/sidewalk projects - various	\$	2,510,856
Culvert/Bridge		1,095,489
Routes 23 & 28 complete streets		49,689
Street lighting		239,578
Airport projects		175,198
Downtown Revitalization Initiative (DRI) projects		1,280,460
27 Market Street demolition		805,738
Wastewater treatment plant improvements		27,617
Water plant improvements		70,235
Waterfront revitalization		25,748
Other		159,298
American Rescue Plan Act (ARPA) projects		
Wilber Lake Trail Bridge		129,748
Neahwa Park Underground Electric		4,150
Neahwa Park 5k Race Course		60,604
Wilber Park Basketball Court		23,744
		23,744
	\$	<u>6,658,152</u>

- Funding of approximately \$3.7 million from federal and state grants was realized for various capital projects, including those indicated above.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

- More than \$265,480 was received in community development grants, which were granted or loaned to home and business owners within the City.

Expenditures incurred utilizing reserve funds of the City included the following:

General Fund	
Public safety	\$ 25,318
Highway equipment	179,405
Streets and sidewalks	3,165
Repairs	72,000
IT	51,384
Crime proceeds	5,282
Restricted donation	500
Special event	4,380
Water Fund equipment	56,788
Sewer Fund equipment	15,105
	<hr/>
	\$ 413,327

General Fund restricted reserves' outstanding encumbrances are as follows:

Public safety	\$ 446,479
IT	10,875
Highway equipment	240,000
	<hr/>
	\$ 697,354

Additions to the General Fund reserves are as follows:

Highway equipment	\$ 350,000
Public safety	250,000
IT	60,000
Parking	400,000
	<hr/>
	\$ 1,060,000

The City presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. In accordance with GASB Statement No. 34, the City presents both its fund level statements and two additional statements, the statement of net position and the statement of activities (collectively referred to as the "government-wide" financial statements), which are presented on the accrual basis of accounting. Reconciliations of fund-based financial statements to the government-wide statements are also included.

City of Oneonta, New York

Management's Discussion and Analysis
December 31, 2023

Overview of the Financial Statements

This annual report consists of three components: management's discussion and analysis (this narrative); the financial statements, including footnotes; and the required supplementary information. The financial statements include three types of statements that present different views of the City:

- Government-wide financial statements provide the City's information as a whole and present a longer-term view of the City's overall finances.
- Fund financial statements focus on individual components of the City, reporting the City's operations in more detail than the government-wide statements. The governmental fund statements report the services financed in the short-term as well as what remains for future spending. The proprietary fund statements report the operations of those activities for which the City charges customers for the services it provides.
- Fiduciary fund statements, if necessary, provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the statements. The statements are followed by a required supplementary information section that further details and supports the financial statements.

Government-Wide Statements

The government-wide statements report the City's information as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial position of the City from the economic resources measurement focus using the accrual basis of accounting. All of the current year's revenues and expenses are considered regardless of when the cash is received or paid. These statements also include all assets and liabilities of the City (including infrastructure and long-term debt).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government support, public safety, transportation, economic opportunity and development, culture and recreation, and home and community services. The business-type activity of the City is the public transit system. The discretely presented component unit presents the activity of the Library.

The government-wide statements provide the City's Statement of Net Position and Statement of Activities. Net position is the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources; this is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the City's overall health, one needs to consider additional non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure and other facilities.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds - not the City as a whole. Some funds are required to be established by State law, while management establishes many other funds to help it control and manage money for a particular purpose. All of the City's funds can be divided into two categories: governmental and proprietary.

- **Governmental funds:** Governmental funds are used to account for those services or activities that are provided by the City and are principally supported by taxes and intergovernmental revenues.

The City maintains eight governmental funds: the General Fund, the Capital Projects Fund, the Permanent Fund, the Debt Service Fund, and the special revenue funds, which consist of the Water Fund, the Sewer Fund, the Community Development Fund, and the Miscellaneous Special Revenue Fund. A governmental fund balance sheet and a statement of revenues, expenditures, and changes in fund balances are presented for all major funds, with non-major funds aggregated and presented as other governmental funds.

- **Proprietary funds:** The City maintains two types of proprietary funds. The City uses an Enterprise Fund to account for its public transit operations. The Internal Service Fund is used to account for a central vehicle/equipment maintenance operation and a central supplies operation.

Financial Analysis of the City as a Whole

The City focuses its efforts on proactive financial management and multi-year planning. Through these efforts, the City has committed to long-term financial stability and investments.

- ***Annual budget and multi-year planning:*** Through the utilization of comprehensive budgeting and multi-year planning, the City has maintained a responsible tax rate, achieving compliance with the New York State Tax Cap since its inception. The City continues to closely monitor expenditures and conservatively budget revenues. Identified surpluses are utilized to increase reserve fund balances for future investment in equipment and facility and infrastructure improvements.

The City's principal operating budgets include the General Fund, the Water Fund, and the Sewer Fund. The adopted 2023 budgets were increased by \$955,467 for operations and \$2,967,413 for transfers to capital/other funds for the General Fund, \$298,871 for operations and \$58,290 for transfers to other funds for the Water Fund, and \$101,005 for the Sewer Fund operations. A conservative approach is used in the adoption of budgets with the expectation of modifying budgets if the revenue sources proved to be more than expected or unexpected expenditures arise. Appropriation increases were made to finance the items described in Note 2a to the financial statements.

- ***Net position:*** Net position of the governmental activities increased \$7,805,622, business-type activities increased \$172,343 and the Library increased \$80,030 during the year ended December 31, 2023. The total net position for all activities was \$27,297,308 as of December 31, 2023, as compared to \$19,236,313 as of December 31, 2022. As described within the Financial Highlights portion of Management's Discussion and Analysis, a majority of these changes are the result of government-wide required adjustments for expenditures relating to pension liabilities with New York State and other postemployment benefits for future health insurance costs, as well as the depreciation of capital assets.
- ***Deficit fund balances:*** Currently, there are five capital projects that will be funded with future grants or financing.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

- *State Comptroller's Fiscal Stress Initiative:* In 2013, the New York State Comptroller's Office implemented a system designed to monitor the financial condition of local governments based on both financial information and the external environment. Financial information considered includes year-end fund balances, operating surpluses/deficits, and fixed costs. External factors reviewed include population property values, employment, and sales tax revenue. In September 2024, the New York State Comptroller's Office issued its most recent scoring, with the City maintaining a "no-designation" classification. The classification substantiates the City's planning, budgeting, and fiscal management decisions.
- *Capital assets:* The City's capital assets for its governmental and business-type activities as of December 31, 2023 amounted to \$69,100,500 (net of depreciation). Capital assets include land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. See Note 6 to the financial statements for a summary of the City's capital assets.
- *Long-term debt:* The acquisition or construction of capital assets benefits the citizens for the long-term and generally have significant costs; therefore, it is appropriate to spread the costs of such expenditures over time. Borrowing is a mechanism through which the City is able to allocate costs of large purchases to be paid from revenues over several years. The City maintains a conservative debt borrowing policy and funds a significant level of capital expenditures from current funds when possible. The outstanding debt is backed by the full faith and credit of the City. See Note 9 for a summary of the City's indebtedness and the narrative within the Financial Highlights on pages 4 to 6.

During July 2022, S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, issued the City's municipal bond rating of "AA-" with a stable outlook.

- *Statutory limits on real property tax and debt:* The New York State Constitution (Constitution) restricts the annual real property tax levy for operating expenses to 2% of the average full value of taxable City property over the last five years. For the year ended December 31, 2023, the City had a legal margin of approximately \$6,474,852, or 61.61% of its taxing power remaining.

The Constitution also imposes a debt limit of 7% of the most recent five-year average of the full valuation of taxable real estate. At December 31, 2023, the legal debt limit for the City was \$36,783,386, and the debt margin was \$31,168,218. All significant bond covenants have been complied with.

Financial Analysis of the Governmental Funds

At December 31, 2023, the City's total unassigned governmental fund balance was \$5,748,790, comprising \$7,436,402 for the General Fund and a (\$1,687,612) deficit for the Capital Projects Fund. The negative fund balance within the Capital Projects Fund is primarily due to the future receipt of grant funding and financing.

As further detailed in Notes 1r and 12 to the financial statements, governmental fund balances are reported based upon the extent to which the City is bound to observe constraints imposed upon the use of the resources. Total governmental fund balances with constraints are as follows:

Nonspendable	\$	2,268,268
Restricted		9,468,220
Committed		326,032
Assigned		4,156,648
		<hr/>
	\$	16,219,168

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

General Fund: The General Fund is the principal operating fund of the City. As of December 31, 2023, the unassigned fund balance of the General Fund was \$7,436,402, for a decrease of \$1,601,243 (17.7%) from the previous year, while the total fund balance was \$16,031,162, for an increase of \$335,370 (2.1%) from the previous year. During 2023, the Common Council authorized transferring funds from the unassigned fund balance to the restricted reserves in the amount of \$1,060,000 as detailed above.

As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and operating transfers out. Unassigned fund balance represents 38.8% of the 2023 total amount, or 43.5% of the 2024 adopted budget. The City utilizes a conservative budgeting approach to revenues and expenditures, and practices consistent expenditure controls.

Capital Projects Fund: The Capital Projects Fund accounts for the construction and reconstruction of public improvements. At the end of the current year, as a result of ongoing expenditures of various City property/buildings, streets and park projects, the fund balance was a (\$872,389) deficit. The deficit fund balance is anticipated to be funded by future grant proceeds and financing.

Permanent Fund: The Permanent Fund is the primary account for the donation restricted for the "beautification of and non-sports development" of the City Parks, "particularly planting, care and replacement of trees, shrubs, lawns and flowers." The donation must remain intact, and the interest earned supports the Miscellaneous Special Revenue Fund established to support the donor's request.

Debt Service Fund: The Debt Service Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest on general obligation long-term debt. The Debt Service Fund is used when legally mandated and for financial resources accumulated in a reserve for the payment of future principal and interest on long-term indebtedness.

Water Fund: The Water Fund is used to account for the provision of water services to the citizenry, funded by user fees based on water rates approved by the Common Council. At the end of the current year, the assigned fund balance was \$1,382,937, with the total fund balance being \$1,879,894, for an increase of \$833,625 from the previous year. During 2022, the General Fund advanced \$370,000 to assist in financing the replacement of the Catella Well Raw Water Transmission Line. During 2023, the Water Fund received proceeds from forestry products that will enable full repayment to the General Fund.

Sewer Fund: The Sewer Fund is used to account for the provision of sewer services to the citizenry, funded by user fees based on sewer rates approved by the Common Council. At the end of the current year, the restricted fund balance was \$2,224,235, with the total fund balance at \$2,229,588, for an increase of \$428,336 from the previous year.

Community Development 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. At the end of the current year, the fund balance was \$210,561.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

Miscellaneous Special Revenue Fund: The Miscellaneous Special Revenue Fund is used to account for restricted donations or assigned funds authorized by the Common Council that benefit the government or its citizenry. As of the end of the current year, the fund balance consists of the following designations:

Swart Wilcox	\$	110,551
Parks		154,248
Susquehanna Greenway		13,198
Park roads		7,768
Community landscaping		498,393
Youth programs		18,899
Korean War Memorial		4,302
Animal shelter		10,421
Trainman Veteran Monument		1,636
Allison Building		2,670
		<hr/>
	\$	822,086

Financial Analysis of the Proprietary Funds

The net position of the proprietary funds at the end of the current year totaled \$3,478,776, for an increase of \$240,796 from the previous year. The 2023 revenues increased due to federal and state grants for the new Transit Hub building.

Library

The Library is a discretely presented component unit of the City. The Library accounts for the revenues and expenditures recognized in the operations of the Library. As of the end of the current year, the unrestricted net position deficit totaled \$612,826, with total net position at \$490,361, for an increase of \$83,030 from the previous year.

Grants

The City has been fortunate to be awarded several grants that provide great benefits to the community and its residents and business owners. Currently, the City is administering over \$63 million in grant-related projects, which include \$37 million in grant awards.

- In 2016, the City was selected by the State of New York to receive a \$10 million award for the DRI. This award provides the financial resources to bring the community's transformational strategies to fruition, elevating downtown Oneonta. DRI grants totaling \$2.335 million were awarded to 40 downtown property owners or businesses for new signage and improved facades, and to create nearly thirty (30) new year-round, market-rate upper-floor housing units in the downtown area. Also, \$1.47 million was awarded for the construction of a 73,500-square-foot, four-story, mixed-use building that includes sixty-four (64) apartment units and the Hartwick Grain Innovation Center, an educational facility developed in conjunction with Hartwick College.
- The City is also administering grants from various state and federal agencies, such as the New York State Department of State, the New York State Office of Community Renewal, the New York State Department of Transportation, the Federal Aviation Administration, Empire State Development and RESTORE NY, the State and Municipal Facilities Program, the New York State Environmental Facilities Corporation (NYSEFC) administered Clean Water State Revolving Fund and Drinking Water State Revolving Fund, the Water Infrastructure Improvement Program, the federal Bipartisan Infrastructure Law, and the Department of Environmental Conservation.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2023

- The City continues to apply for available grants and is currently applying for grants to fund projects relating to, but not limited to, the City's water and sewer infrastructure and the Route 23 & Route 28 complete streets project.

Expenditures

During 2023, the City received the results of a professional salary study for all city positions, which showed that the salaries paid to City employees averaged from 73% to 89% of the market median depending on the position. This study provided the data necessary for the administration to review all City staff's salaries and apply proposed increases in the current union contract negotiations. As a result of adjusting the collective bargaining agreements' salaries and related fringe benefit costs, including increased contribution rates mandated by the New York State and Local Retirement System and decreased costs in health insurance due to joining a health insurance consortium, the salary and fringe benefit expenses increased the 2024 budget by \$1.2 million. The 2024 General Fund budget increased by a total of \$1.6 million, with \$1.3 million being within public safety. These expenses may be funded via increases in various revenues, including the tax levy.

Revenue Sources

In 2021, the City was awarded \$1,426,354 from the ARPA Coronavirus Local Recovery Fund, with payments being made in two installments: 50% in the summer of 2021 and 50% in the summer of 2022. As of July 2022, the City received all ARPA funds awarded. At December 31, 2023, \$269,173 is reported as deferred revenue and will be recognized as revenue as approved projects are completed. The 2022 adopted budget included an ARPA spending plan that focused the first payment on the City Park's Master Plan projects with the goal of benefiting the highest population possible. The second payment of funding was approved for the River Street Water Main capital projects. The ARPA funding has been spent as follows:

Neahwa Park Electric Infrastructure	\$	83,000
Neahwa Park Pathways		199,433
Wilber Lake Trail Bridge		129,748
Neahwa & Catella Park paved pathways		35,000
River Street & Ann Street Water & Sewer		<u>710,000</u>
Total as of December 31, 2023	\$	<u><u>1,157,181</u></u>

Remaining amounts and priorities are subject to change.

To support the City's transit system, the City received a Coronavirus Aid, Relief, and Economic Security Act grant of over \$1 million to fund operating expenses. As a result of 2023, \$253,109 was eligible from this grant; the 2024 adopted budget includes \$593,600 from this grant.

Requests for Information

This financial report is designed to provide a general overview of the City of Oneonta, New York's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance
258 Main Street
Oneonta, New York 13820

City of Oneonta, New York

Government-Wide Financial Statements Statement of Net Position

	December 31, 2023			
	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,817,368	\$ 4,452	\$ 4,821,820	\$ 510,973
Cash and cash equivalents, restricted	2,331,924	137,489	2,469,413	54,065
Investments	1,151,483	-	1,151,483	-
Investments, restricted	8,390,585	-	8,390,585	1,439,267
Loans receivable, less allowance for uncollectible	1,088,997	-	1,088,997	-
Other receivables, less allowance for uncollectible	1,848,957	100,627	1,949,584	85,771
Due from other governments	5,255,937	1,013,474	6,269,411	-
Due from other funds	486,949	-	486,949	130,079
Inventory	133,840	196,655	330,495	-
Prepaid expenses	754,302	3,295	757,597	14,572
Other assets	314,100	-	314,100	-
Total current assets	<u>26,574,442</u>	<u>1,455,992</u>	<u>28,030,434</u>	<u>2,234,727</u>
NONCURRENT ASSETS				
Capital assets, net of accumulated depreciation	65,884,868	3,215,632	69,100,500	-
Total assets	<u>92,459,310</u>	<u>4,671,624</u>	<u>97,130,934</u>	<u>2,234,727</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension resources	6,206,025	298,981	6,505,006	199,368
OPEB resources	6,487,717	-	6,487,717	243,792
Total assets and deferred outflows of resources	<u>105,153,052</u>	<u>4,970,605</u>	<u>110,123,657</u>	<u>2,677,887</u>
CURRENT LIABILITIES				
Accounts payable	1,753,272	673,235	2,426,507	14,720
Accrued liabilities	395,751	35,748	431,499	18,171
Customer deposits	39,225	-	39,225	-
Due to other governments	125,489	-	125,489	-
Due to other funds	-	486,949	486,949	-
Unearned revenue	1,858,415	490	1,858,905	-
Bond interest payable	111,043	-	111,043	-
Current maturities of long-term liabilities	1,788,880	-	1,788,880	-
Total current liabilities	<u>6,072,075</u>	<u>1,196,422</u>	<u>7,268,497</u>	<u>32,891</u>
NONCURRENT LIABILITIES				
Bonds payable	18,634,303	-	18,634,303	-
Premiums on bonds payable	386,814	-	386,814	-
Installment purchase debt	822,260	-	822,260	-
Net pension liability	8,118,120	394,101	8,512,221	282,882
Accrued compensated absences	627,370	29,425	656,795	19,034
OPEB	26,789,561	-	26,789,561	778,825
Total liabilities	<u>61,450,503</u>	<u>1,619,948</u>	<u>63,070,451</u>	<u>1,113,632</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB resources	19,752,040	-	19,752,040	1,039,419
Pension resources	467,823	26,396	494,219	34,475
Total liabilities and deferred inflows of resources	<u>81,670,366</u>	<u>1,646,344</u>	<u>83,316,710</u>	<u>2,187,526</u>
NET POSITION				
Net investment in capital assets	44,115,495	3,185,295	47,300,790	-
Restricted	9,751,735	137,489	9,889,224	1,103,187
Unrestricted	(30,384,544)	1,477	(30,383,067)	(612,826)
Total net position	<u>\$ 23,482,686</u>	<u>\$ 3,324,261</u>	<u>\$ 26,806,947</u>	<u>\$ 490,361</u>

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				Discretely Presented Component Unit
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total	Total	
			Grants and Contributions	Grants and Contributions					
GOVERNMENTAL ACTIVITIES									
General governmental support	\$ 2,844,086	\$ 586,093	\$ 92,039	\$ -	\$ (2,165,954)	\$ -	\$ (2,165,954)	\$ -	\$ -
Public safety	7,909,081	2,875,068	73,426	60,000	(4,900,587)	-	(4,900,587)	-	-
Health	2,500	29,714	-	-	27,214	-	27,214	-	-
Transportation	3,697,254	270,725	13,583	3,037,853	(375,093)	-	(375,093)	-	-
Economic opportunity and development	246,625	5,000	-	477,915	236,290	-	236,290	-	-
Culture and recreation	1,057,134	140,160	89,253	(231,256)	(1,058,977)	-	(1,058,977)	-	-
Home and community services	5,087,566	6,503,721	66,745	573,430	2,056,330	-	2,056,330	-	-
Interest on long-term debt	374,236	-	-	-	(374,236)	-	(374,236)	-	-
Total governmental activities	21,218,482	10,410,481	335,046	3,917,942	(6,555,013)	-	(6,555,013)	-	-
BUSINESS-TYPE ACTIVITIES									
Public transportation	2,924,313	828,291	1,593,263	591,760	-	89,001	89,001	89,001	-
Total primary government	<u>\$ 24,142,795</u>	<u>\$ 11,238,772</u>	<u>\$ 1,928,309</u>	<u>\$ 4,509,702</u>	<u>(6,555,013)</u>	<u>89,001</u>	<u>(6,466,012)</u>	<u>(6,466,012)</u>	<u>-</u>
DISCRETELY PRESENTED COMPONENT UNIT	<u>\$ 1,028,624</u>	<u>\$ 150,112</u>	<u>\$ 369,121</u>	<u>\$ 51,771</u>				<u>(457,620)</u>	
GENERAL REVENUES									
Real property tax and related tax items					5,320,506	-	5,320,506	540,650	
Sales tax					6,076,057	-	6,076,057	-	
Non-property tax items					212,684	-	212,684	-	
Interest earnings					370,202	-	370,202	-	
Miscellaneous					15,725	83,342	99,067	-	
State revenue sharing					2,231,857	-	2,231,857	-	
Mortgage tax					133,604	-	133,604	-	
Total general revenues					<u>14,360,635</u>	<u>83,342</u>	<u>14,443,977</u>	<u>540,650</u>	
Change in net position					<u>7,805,622</u>	<u>172,343</u>	<u>7,977,965</u>	<u>83,030</u>	
NET POSITION, beginning of year					15,677,064	3,151,918	18,828,982	407,331	
NET POSITION, end of year					<u>\$ 23,482,686</u>	<u>\$ 3,324,261</u>	<u>\$ 26,806,947</u>	<u>\$ 490,361</u>	

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Balance Sheet - Governmental Funds

	December 31, 2023					
	Major Funds				Other	Total
	General	Capital Projects	Water	Community Development	Governmental Funds	Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,371,334	\$ -	\$ 810,595	\$ -	\$ 575,353	\$ 4,757,282
Cash and cash equivalents, restricted	358,383	312,736	-	290,550	1,370,255	2,331,924
Investments	1,151,483	-	-	-	-	1,151,483
Investments, restricted	5,744,761	-	492,081	-	2,153,743	8,390,585
Loans receivable, less allowance for uncollectible	-	-	-	1,088,997	-	1,088,997
Other receivables, less allowance for uncollectible	357,239	-	882,398	-	609,320	1,848,957
Due from other governments	848,361	3,896,880	-	223,950	286,746	5,255,937
Due from other funds	5,008,858	-	-	-	-	5,008,858
Inventory	20,986	-	-	-	-	20,986
Prepaid expenses	223,707	514,604	4,876	-	5,353	748,540
Other assets	-	-	-	314,100	-	314,100
Total assets	\$ 17,085,112	\$ 4,724,220	\$ 2,189,950	\$ 1,917,597	\$ 5,000,770	\$ 30,917,649
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 257,395	\$ 1,205,442	\$ 108,507	\$ 13,057	\$ 134,571	\$ 1,718,972
Accrued liabilities	333,602	-	25,249	-	18,469	377,320
Customer deposits	27,025	-	-	12,200	-	39,225
Due to other funds	-	4,296,360	-	225,550	-	4,521,910
Due to other governments	3,806	68,551	-	53,132	-	125,489
Accrued compensated absences	3,060	-	-	-	-	3,060
Unearned revenue	277,298	-	-	-	-	277,298
Total liabilities	902,186	5,570,353	133,756	303,939	153,040	7,063,274
Deferred inflows of resources						
Unavailable tax resources	141,569	-	-	-	-	141,569
Other unavailable resources	10,195	26,256	176,300	1,403,097	129,000	1,744,848
Total deferred inflows of resources	151,764	26,256	176,300	1,403,097	129,000	1,886,417
Total liabilities and deferred inflows of resources	1,053,950	5,596,609	310,056	1,707,036	282,040	8,949,691
Fund balances						
Nonspendable	244,693	514,604	4,876	-	1,504,095	2,268,268
Restricted	6,087,947	101,360	492,081	83,788	2,703,044	9,468,220
Committed	-	199,259	-	126,773	-	326,032
Assigned	2,262,120	-	1,382,937	-	511,591	4,156,648
Unassigned	7,436,402	(1,687,612)	-	-	-	5,748,790
Total fund balances	16,031,162	(872,389)	1,879,894	210,561	4,718,730	21,967,958
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,085,112	\$ 4,724,220	\$ 2,189,950	\$ 1,917,597	\$ 5,000,770	\$ 30,917,649

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

	December 31, 2023
Total fund balances in the fund financial statements for the governmental funds	\$ 21,967,958
This amount differs from amounts reported for governmental activities due to the following:	
Capital assets are included as assets, net of accumulated depreciation.	65,747,752
Deferred inflows of resources for revenues earned, measurable but not available to provide current financial resources, are included in the government-wide financial statements.	305,300
Deferred outflows of resources and deferred inflows of resources related to OPEB benefits and the net pension liability are excluded from the governmental funds and reported with governmental activities.	
Deferred inflows of resources - OPEB	(19,752,040)
Deferred outflows of resources - OPEB	6,487,717
Deferred inflows of resources - pension resources	(451,721)
Deferred outflows of resources - pension resources	6,023,638
Long-term liabilities for bonded debt	(20,119,283)
Long-term liabilities for the installment purchase debt by the City	(1,081,350)
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.	
Bond premium	(431,624)
Long-term liabilities for OPEB obligations	(26,789,561)
Long-term liabilities for pension obligations	(7,877,707)
Long-term liabilities for compensated absences	(589,865)
Interest payable on long-term debt	(111,043)
The internal service fund is used by management to account for a central vehicle/equipment maintenance operation and a central supplies operation. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	154,515
Net position of governmental activities	\$ 23,482,686

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2023					
	Major Funds				Other	Total
	General	Capital Projects	Water	Community Development	Governmental Funds	Governmental Funds
REVENUES						
Real property taxes	\$ 5,105,738	\$ -	\$ -	\$ -	\$ -	\$ 5,105,738
Real property tax items	214,768	-	-	-	-	214,768
Non-property tax items	6,288,741	-	-	-	-	6,288,741
Departmental income	1,487,266	-	3,011,321	33,624	2,217,081	6,749,292
Intergovernmental charges	1,362,879	-	-	-	271,480	1,634,359
Use of money and property	576,805	-	49,313	904	135,852	762,874
Licenses and permits	114,235	-	-	-	-	114,235
Fines and forfeitures	132,304	-	-	-	-	132,304
Sale of property and compensation for loss	131,005	68,947	521,035	-	313,371	1,034,358
Miscellaneous local sources	71,067	-	2	250	25,790	97,109
State aid	2,458,444	3,668,687	-	126,937	15,265	6,269,333
Federal aid	964,418	103,217	475	138,543	27,040	1,233,693
Interfund revenues	356,000	-	-	-	-	356,000
Total revenues	<u>19,263,670</u>	<u>3,840,851</u>	<u>3,582,146</u>	<u>300,258</u>	<u>3,005,879</u>	<u>29,992,804</u>
EXPENDITURES						
General government support	2,759,798	30,225	119,939	-	52,231	2,962,193
Public safety	8,349,640	-	-	-	-	8,349,640
Health	2,500	-	-	-	-	2,500
Transportation	1,885,768	3,718,355	-	-	-	5,604,123
Economic opportunity and development	109,298	807,254	-	-	-	916,552
Culture and recreation	849,249	164,720	-	-	27,845	1,041,814
Home and community services	395,316	1,937,598	1,899,958	259,802	1,645,729	6,138,403
Benefits	1,114,889	-	69,740	-	77,506	1,262,135
Debt service, principal	588,758	-	538,939	-	581,495	1,709,192
Debt service, interest	198,127	-	167,526	-	85,448	451,101
Total expenditures	<u>16,253,343</u>	<u>6,658,152</u>	<u>2,796,102</u>	<u>259,802</u>	<u>2,470,254</u>	<u>28,437,653</u>
Excess (deficiency) of revenues over expenditures	<u>3,010,327</u>	<u>(2,817,301)</u>	<u>786,044</u>	<u>40,456</u>	<u>535,625</u>	<u>1,555,151</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	230,356	2,329,658	100,871	-	819,469	3,480,354
Operating transfers out	(2,905,313)	(351,647)	(53,290)	(44,096)	(326,008)	(3,680,354)
Total other financing sources (uses)	<u>(2,674,957)</u>	<u>1,978,011</u>	<u>47,581</u>	<u>(44,096)</u>	<u>493,461</u>	<u>(200,000)</u>
Net change in fund balances	<u>335,370</u>	<u>(839,290)</u>	<u>833,625</u>	<u>(3,640)</u>	<u>1,029,086</u>	<u>1,355,151</u>
FUND BALANCES, beginning of year	<u>15,695,792</u>	<u>(33,099)</u>	<u>1,046,269</u>	<u>214,201</u>	<u>3,689,644</u>	<u>20,612,807</u>
FUND BALANCES, end of year	<u>\$ 16,031,162</u>	<u>\$ (872,389)</u>	<u>\$ 1,879,894</u>	<u>\$ 210,561</u>	<u>\$ 4,718,730</u>	<u>\$ 21,967,958</u>

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		Year Ended December 31, 2023
Net change in fund balances shown for total governmental funds	\$	1,355,151
<p>This amount differs from the change in net position shown in the statement of activities because of the following:</p>		
<p>Receivables for revenues earned, measurable but not available to provide current financial resources, are included in the government-wide financial statements.</p>		(968,700)
<p>Capital outlays for acquisition of capital assets are recorded in governmental funds 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 amount by which expenditures for the acquisition of capital assets exceeded depreciation expense for the period:</p>		
Capital expenditures	\$	7,060,065
Depreciation expense		(4,106,961)
		2,953,104
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		1,457,257
<p>Some assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Pension- and OPEB-related deferred outflows of resources and deferred inflows of resources represent long-term activity and are not reported in the funds:</p>		
Net pension liability		(7,276,397)
Net pension asset		(828,631)
Deferred outflows of resources - pension related		(627,135)
Deferred inflows of resources - pension related		7,781,189
Deferred outflows of resources - OPEB related		(1,974,479)
Deferred inflows of resources - OPEB related		6,845,339
Compensated absences		(49,950)
Installment purchase debt		251,935
Accrued interest		32,054
Bond premium		44,811
OPEB		(1,258,379)
<p>The internal service fund is used by management to account for a central vehicle/equipment maintenance operation and a central supplies operation. The net revenue of certain activities of the internal service fund is reported with governmental activities.</p>		68,453
Change in net position of governmental activities	\$	7,805,622

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended December 31, 2023					
	Adopted Budget	Modified Budget	Difference Adopted vs. Modified Positive (Negative)	Actual	Variance With Actual vs. Modified Positive (Negative)	2024 Adopted Budget
REVENUES						
Real property taxes	\$ 5,105,738	\$ 5,105,738	\$ -	\$ 5,105,738	\$ -	\$ 5,256,854
Real property tax items	221,500	221,500	-	214,768	(6,732)	243,000
Non-property tax items	5,187,000	5,187,000	-	6,288,741	1,101,741	5,605,000
Departmental income	1,218,000	1,210,500	(7,500)	1,487,266	276,766	1,336,000
Intergovernmental charges	1,362,329	1,362,329	-	1,362,879	550	1,413,000
Use of money and property	60,000	60,000	-	576,805	516,805	220,000
Licenses and permits	59,150	59,150	-	114,235	55,085	65,200
Fines and forfeitures	100,000	100,000	-	132,304	32,304	115,000
Sale of property and compensation for loss	50,000	103,000	53,000	131,005	28,005	46,000
Miscellaneous local sources	5,000	9,420	4,420	71,067	61,647	5,000
Interfund revenues	351,400	351,400	-	356,000	4,600	362,000
State aid	2,431,897	2,470,897	39,000	2,458,444	(12,453)	2,425,097
Federal aid	-	875,000	875,000	964,418	89,418	-
Total revenues	<u>16,152,014</u>	<u>17,115,934</u>	<u>963,920</u>	<u>19,263,670</u>	<u>2,147,736</u>	<u>17,092,151</u>
EXPENDITURES						
General government support	3,253,733	3,206,839	46,894	2,759,798	447,041	3,528,437
Public safety	8,752,731	9,356,483	(603,752)	8,349,640	1,006,843	10,077,015
Health	5,500	5,500	-	2,500	3,000	4,000
Transportation	2,230,023	2,556,978	(326,955)	1,885,768	671,210	2,488,460
Economic opportunity and development	69,100	110,230	(41,130)	109,298	932	87,500
Culture and recreation	1,032,223	1,024,529	7,694	849,249	175,280	900,625
Home and community services	423,309	461,527	(38,218)	395,316	66,211	454,800
Benefits	1,196,000	1,196,000	-	1,114,889	81,111	1,057,000
Debt service, principal	588,766	588,766	-	588,758	8	602,553
Debt service, interest	198,135	198,135	-	198,127	8	183,057
Total expenditures	<u>17,749,520</u>	<u>18,704,987</u>	<u>(955,467)</u>	<u>16,253,343</u>	<u>2,451,644</u>	<u>19,383,447</u>
Excess (deficiency) of revenues over expenditures	<u>(1,597,506)</u>	<u>(1,589,053)</u>	<u>8,453</u>	<u>3,010,327</u>	<u>4,599,380</u>	<u>(2,291,296)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	20,400	38,835	18,435	230,356	191,521	-
Operating transfers out	-	(2,967,413)	(2,967,413)	(2,905,313)	62,100	-
Total other financing sources (uses)	<u>20,400</u>	<u>(2,928,578)</u>	<u>(2,948,978)</u>	<u>(2,674,957)</u>	<u>253,621</u>	<u>-</u>
Net change in fund balance	<u>(1,577,106)</u>	<u>(4,517,631)</u>	<u>(2,940,525)</u>	<u>335,370</u>	<u>4,853,001</u>	<u>(2,291,296)</u>
FUND BALANCE, beginning of year	<u>15,695,792</u>	<u>15,695,792</u>	<u>-</u>	<u>15,695,792</u>	<u>-</u>	<u>16,031,162</u>
FUND BALANCE, end of year	<u>\$ 14,118,686</u>	<u>\$ 11,178,161</u>	<u>\$ (2,940,525)</u>	<u>\$ 16,031,162</u>	<u>\$ 4,853,001</u>	<u>\$ 13,739,866</u>

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund

Year Ended December 31, 2023						
	Adopted Budget	Modified Budget	Difference Adopted vs. Modified Positive (Negative)	Actual	Variance With Actual vs. Modified Positive (Negative)	2024 Adopted Budget
REVENUES						
Departmental income	\$ 2,908,000	\$ 2,908,000	\$ -	\$ 3,011,321	\$ 103,321	\$ 3,179,000
Use of money and property	1,000	1,000	-	49,313	48,313	9,000
Sale of property and compensation for loss	-	127,988	127,988	521,035	393,047	-
Miscellaneous local sources	-	-	-	2	2	-
Federal aid	-	-	-	475	475	-
Total revenues	<u>2,909,000</u>	<u>3,036,988</u>	<u>127,988</u>	<u>3,582,146</u>	<u>545,158</u>	<u>3,188,000</u>
EXPENDITURES						
General government support	287,485	210,728	76,757	119,938	90,790	249,031
Water administration	388,834	475,290	(86,456)	446,636	28,654	364,325
Source of supply	27,000	48,550	(21,550)	25,403	23,147	77,500
Purification	807,422	866,130	(58,708)	749,047	117,083	816,786
Laboratory	66,000	61,000	5,000	44,439	16,561	80,250
Transmission and distribution	626,350	839,264	(212,914)	634,434	204,830	729,750
Benefits	82,000	83,000	(1,000)	69,740	13,260	83,100
Debt service, principal	538,940	538,940	-	538,939	1	550,481
Debt service, interest	167,529	167,529	-	167,526	3	154,777
Total expenditures	<u>2,991,560</u>	<u>3,290,431</u>	<u>(298,871)</u>	<u>2,796,102</u>	<u>494,329</u>	<u>3,106,000</u>
Excess (deficiency) of revenues over expenditures	<u>(82,560)</u>	<u>(253,443)</u>	<u>(170,883)</u>	<u>786,044</u>	<u>1,039,487</u>	<u>82,000</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	82,560	82,560	-	100,871	18,311	-
Operating transfers out	-	(53,290)	(53,290)	(53,290)	-	(100,000)
Total other financing sources (uses)	<u>82,560</u>	<u>29,270</u>	<u>(53,290)</u>	<u>47,581</u>	<u>18,311</u>	<u>(100,000)</u>
Net change in fund balance	<u>-</u>	<u>(224,173)</u>	<u>(224,173)</u>	<u>833,625</u>	<u>1,057,798</u>	<u>(18,000)</u>
FUND BALANCE, beginning of year	<u>1,046,269</u>	<u>1,046,269</u>	<u>-</u>	<u>1,046,269</u>	<u>-</u>	<u>1,879,894</u>
FUND BALANCE, end of year	<u>\$ 1,046,269</u>	<u>\$ 822,096</u>	<u>\$ (224,173)</u>	<u>\$ 1,879,894</u>	<u>\$ 1,057,798</u>	<u>\$ 1,861,894</u>

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Net Position - Proprietary Funds

	December 31, 2023	
	Business-Type Activities	Governmental Activities
	Enterprise Fund - Public Transportation	Internal Service Fund - Central Garage
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,452	\$ 60,086
Cash and cash equivalents, restricted	137,489	-
Other receivables	100,627	-
Inventory	-	309,510
Due from other governments	1,013,474	-
Prepaid expenses	3,295	5,762
Total current assets	1,259,337	375,358
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	3,215,632	137,116
Total assets	4,474,969	512,474
DEFERRED OUTFLOWS OF RESOURCES		
Pension resources	298,981	182,387
Total assets and deferred outflows of resources	4,773,950	694,861
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	673,235	34,300
Accrued liabilities	35,748	18,431
Due to other funds	486,949	-
Total current liabilities	1,195,932	52,731
NONCURRENT LIABILITIES		
Net pension liability	394,101	240,413
Accrued compensated absences	29,425	34,445
Total liabilities	1,619,458	327,589
DEFERRED INFLOWS OF RESOURCES		
Pension resources and other	26,886	16,102
Total liabilities and deferred inflows of resources	1,646,344	343,691
NET POSITION		
Net investment in capital assets	3,185,295	137,116
Restricted	137,489	-
Unrestricted	(195,178)	214,054
Total net position	3,127,606	\$ 351,170
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	196,655	
Net position of business-type activities	\$ 3,324,261	

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds

	Year Ended December 31, 2023	
	Business-Type Activities	Governmental Activities
	Enterprise Fund - Public Transportation	Internal Service Fund - Central Garage
OPERATING REVENUES		
Charges for services	\$ 828,291	\$ 787,610
State aid	1,390,601	-
Federal aid	787,662	-
Total operating revenues	3,006,554	787,610
OPERATING EXPENSES		
Personal service	963,052	373,235
Benefits	361,823	238,747
Contractual expense	1,289,086	202,797
Depreciation	397,473	18,741
Total operating expenses	3,011,434	833,520
Operating loss	(4,880)	(45,910)
NONOPERATING REVENUES		
Other revenue	90,102	1,484
Income (loss) before transfer	85,222	(44,426)
TRANSFER FROM GOVERNMENTAL FUNDS	-	200,000
Change in net position	85,222	155,574
NET POSITION, <i>beginning of year</i>	3,042,384	195,596
NET POSITION, <i>end of year</i>	\$ 3,127,606	\$ 351,170
CHANGE IN NET POSITION	\$ 85,222	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	87,121	
CHANGE IN NET POSITION, <i>business-type activities</i>	\$ 172,343	

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2023	
	Business-Type Activities	Governmental Activities
	Enterprise Fund - Public Transportation	Internal Service Fund - Central Garage
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from providing services	\$ 786,581	\$ 787,610
Cash paid for contractual expenses	(1,257,584)	(213,494)
Cash paid for personal services and employee benefits	(1,243,615)	(559,233)
Cash received from other operating sources	1,339,398	-
	(375,220)	14,883
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		
Receipts from other sources	79,458	1,484
Transfers, net	470,980	97,428
	550,438	98,912
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of fixed assets	(175,218)	(53,709)
Capital contributed by other sources	10,644	-
	(164,574)	(53,709)
Net increase in cash and cash equivalents	10,644	60,086
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	131,297	-
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 141,941	\$ 60,086
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (4,880)	\$ (45,910)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	397,473	18,741
(Increase) decrease in		
Other receivables	(14,228)	-
Due from other governments	(866,542)	-
Net pension asset	133,522	81,330
Deferred outflows of resources - pension resources	(18,589)	(11,596)
Inventory	-	(21,188)
Prepaid expenses	(624)	(356)
Increase (decrease) in		
Accounts payable	31,502	10,490
Accrued liabilities	(3,492)	5,498
Net pension liability	394,101	240,413
Deferred inflows of resources - pension resources	(436,282)	(265,721)
Deferred revenues	195	-
Accrued compensated absences	12,624	3,182
	\$ (375,220)	\$ 14,883

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies

The financial statements of the City of Oneonta, New York (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

a. Organization

The City was incorporated during 1908 in the County of Otsego. The City is governed by an elected Mayor and Common Council. The City provides general government support, water and sewer services, police, and fire protection, transportation, economic assistance and opportunity, culture and recreation, and home and community services.

All governmental activities and functions performed for the City are the direct responsibility of the members of the Common Council.

b. Financial Reporting Entity

The financial reporting entity consists of: (a) the primary government, which is the City of Oneonta; (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.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the City and is generally available to its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Huntington Memorial Library (Library) has been included within the reporting entity as a discretely presented component unit. This discretely presented component unit accounts for the revenues and expenditures recognized in the operation of the Library. The Library was originally established in 1893 as the Oneonta Public Library and granted a charter by the State Board of Regents as provided in Article 5 of Education Law. The affairs of the Library were included in the legislation in 1908 that incorporated the City. Actions by the Regents of the State in 1921 and by the Legislature of the State in 1922 changed the name of the Library to the Huntington Memorial Library. The City appoints trustees; levies and collects the taxes for Library purposes; has title to the real property used by the Library; and issues all Library indebtedness, which is supported by the full faith and credit of the City.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

b. Financial Reporting Entity (Continued)

The following organizations are not part of the City and, thus, are excluded from the City's financial reporting entity:

1. City School District of the City of Oneonta: The City School District of the City of Oneonta (School District) was established by an act of the State Legislature, which designated a School Board as the governing authority. Members of the School Board are elected directly by the qualified voters of the district. The School Board has responsibility for adopting budgets, levying property taxes, and hiring and firing employees. The operating, debt service, and capital expenditure budgets are financed from taxes levied by the School Board. The School District also receives substantial funds from the state and federal governments and other revenue sources.
2. The Oneonta Housing Authority: The Oneonta Housing Authority (Authority) was created during 1967 pursuant to an act of the State Legislature, Public Housing Law, Article 13, Title 19. This act provides for the following:
 - a. The purpose of the Authority shall be to implement federal and state housing programs and to provide decent sanitary housing for families of low income.
 - b. The Authority shall be perpetual in duration, and its governing Board shall consist of seven members, five of whom are appointed for staggered five-year terms by the Mayor and two of whom are elected by the residents of the Authority's housing projects for terms of two years.

Specific reasons for excluding the Authority from the City's financial reporting entity are as follows:

- The Authority controls employment of its personnel;
- The City has no influence over operations;
- The City has no budgetary authority;
- The City has no responsibility for the Authority's debt;
- The Authority controls fiscal management; and
- No part of the Authority's financing is provided by the City.

c. Government-Wide and Fund Financial Statements

A summary of the City's significant accounting policies is as follows:

The governmental reporting model has the following sections: Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the City as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of net position presents the financial condition of the City's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Fund accounting is designed to demonstrate legal compliance and to segregate transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. The City has no fiduciary funds. Each category, in turn, is divided into separate "fund types."

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and applicable fiduciary fund financial statements. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This measurement focus and basis of accounting are similar to private sector reporting, whereby both current and long-term assets and liabilities are measured and reported.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current position.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual, which is when they become both measurable and available. "Measurable" means the amount of the transaction can be reasonably determined, and "available" means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay current liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected generally within 120 days, with the exceptions stated below. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales taxes, and certain intergovernmental revenues are considered to be susceptible to accrual and so have been recognized in the fund financial statements as revenues of the current year. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available generally when the City receives cash for these revenues, such as fines, permits, and other miscellaneous collections.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports deferred outflows of resources and deferred inflows of resources for items related to the net pension and other postemployment benefit (OPEB) liabilities, deferred inflows of resources related to certain property taxes received before the City has a legal claim to them, and deferred inflows of resources related to amounts that do not achieve the revenue recognition criteria.

Governmental fund expenditures are recorded when the fund liability is incurred, except that:

- Principal and interest on indebtedness, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.
- Judgments and claims are recorded only when payment is due.

e. Fund Accounting

The City's fund types are as follows:

Governmental funds: Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The City's governmental funds are as follows:

- General Fund: The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds.
- Special revenue funds: Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes and the specific revenue sources continue to make up a substantial portion of the inflows reported in the fund. Also, there must be an understanding that money collected will be used for the fund's operations as stated in the charter, local law, or other document. The City's special revenue funds are as follows:
 - The Community Development Fund is used to account for community development grants, local programs, and related activities.
 - The Water Fund is used to account for the provision of water services to the citizenry, funded by user fees based on water rates approved by the Common Council.
 - The Sewer Fund is used to account for the provision of sewer services to the citizenry, funded by user fees based on sewer rates approved by the Common Council.
 - The Miscellaneous Special Revenue Fund is used to account for restricted donations or assigned funds authorized by the Common Council that benefit the government or its citizenry.
- Capital Projects Fund: The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities/assets other than those financed by the Enterprise Fund or the Internal Service Fund.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

e. Fund Accounting (Continued)

- Debt Service Fund: The Debt Service Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest on general obligation long-term debt. The Debt Service Fund is used when legally mandated and for financial resources accumulated in a reserve for the payment of future principal and interest on long-term indebtedness.
- Permanent Fund: The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that benefit the government or its citizenry.

Proprietary funds: Proprietary funds represent the City's business-type activities and include enterprise funds and internal service funds. Enterprise funds are used to report activities for which fees are charged to external customers for goods and services provided. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following proprietary funds:

- Enterprise Fund - Public Transportation: The Enterprise Fund - Public Transportation is used to account for the operation of the public transit system. The public transit system is primarily financed through state and federal aid. This would normally classify the public transit fund as a governmental fund. Since depreciation expense is an eligible cost for receiving the state and federal aid and fees are collected for use of the transit system, the City chooses to report the public transit fund as a proprietary fund.
- Internal Service Fund - Central Garage: The Internal Service Fund - Central Garage is used to account for the vehicle/equipment maintenance and repairs provided by the Central Garage to other departments. This fund is designed to serve as a cost-allocation device. The role of the Internal Service Fund is to accumulate the costs associated with providing vehicle/equipment maintenance and then charge those departments for the service of maintaining the vehicles/equipment associated with that department.

f. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and other financing sources (uses) during the reporting year. Actual results could differ from those estimates.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

g. Cash, Cash Equivalents, and Investments

Cash resources of the individual funds are combined in a noninterest-bearing checking account and various interest-bearing demand deposits, time deposits, and cash equivalents that are managed by the Director of Finance. Interest earned on deposits is allocated to the participating funds based on the average monthly balance in the account. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with maturities of 90 days or less when purchased by the City. New York State statutes require the City to collateralize its cash deposits in excess of the Federal Deposit Insurance Corporation limits. This collateral is to be in the form of state and local government securities held in trust for, and pledged to secure, the City's deposits.

At December 31, 2023, the primary government and the Library had \$9,542,068 and \$1,439,267, respectively, invested with the New York Cooperative Liquid Assets Securities System (NYCLASS), which is a short-term highly liquid investment fund designed specifically for the public sector that operates like a money market mutual fund. NYCLASS is subject to the Municipal Cooperation Agreement Amended and Restated as of March 28, 2019 and is structured in accordance with New York State General Municipal Law (GML) (Article 3-A and Article 5-G, Sections 119-n and -o, and Chapter 623 of the Laws of 1998). All NYCLASS investment and custodial policies are in accordance with GML, Sections 10 and 11 (as amended by Chapter 708 of the Laws of 1992). NYCLASS is rated "AAAm" by S&P Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawals, or transfers) on a normal business day. There are no limits on the dollar amount or the number of daily transactions, except that the total daily withdrawals may not exceed the total balance on the deposit.

h. Fair Value of Financial Instruments

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.

Level 3: Unobservable inputs that are supported by little or no market activity.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The City's investment in NYCLASS is reported at fair value using quoted prices for identical items that are not actively traded. The City considers its NYCLASS investment to be Level 2 within the hierarchy of fair value measurements.

The method described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes that its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

i. Restricted Cash and Cash Equivalents

Certain cash balances are restricted because their use is limited. At December 31, 2023, the primary government and the Library had restricted cash and cash equivalents related to governmental activities comprising the following:

	Primary Government	Library
General Fund crime proceeds reserve	\$ 32,064	\$ -
General Fund handicap awareness program	15,651	-
General Fund EMS training	4,140	-
General Fund restricted gift	287,081	-
General Fund special event	19,447	-
Community Development Fund	290,550	-
Miscellaneous Special Revenue Fund	157,791	-
Sewer Fund	1,024,150	-
Library restricted gifts	-	54,065
Capital Projects Fund	312,736	-
Debt Service Fund	168,314	-
Permanent Fund	20,000	-
	<u>\$ 2,331,924</u>	<u>\$ 54,065</u>
Total restricted cash and cash equivalents	<u>\$ 2,331,924</u>	<u>\$ 54,065</u>

In addition, the City had restricted cash and cash equivalents related to business-type activities of \$137,489 at December 31, 2023.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

j. Restricted Investments

Certain investment balances are restricted because their use is limited. At December 31, 2023, the primary government and the Library had restricted investments related to governmental activities comprising the following:

	Primary Government	Library
General Fund capital reserve	\$ 4,681,579	\$ -
General Fund employee benefit reserve	337,084	-
General Fund repair reserve	297,405	-
General Fund insurance reserve	43,546	-
General Fund parks and recreation reserve	141,632	-
General Fund buildings reserve	243,515	-
Library	-	1,439,267
Water Fund capital equipment reserve	458,649	-
Water Fund employee benefit reserve	33,432	-
Sewer Fund capital equipment reserve	487,968	-
Sewer Fund employee benefit reserve	33,952	-
Permanent Fund	1,478,742	-
Miscellaneous Special Revenue Fund	153,081	-
	\$ 8,390,585	\$ 1,439,267
Total restricted investments		

k. Due to/From Other Funds and Receivables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as "due to/from other funds" (i.e., interfund loans).

Receivables are reported net of an allowance for uncollectible as described in Note 4.

l. Inventories and Prepaid Items

Inventories are principally valued at cost using average inventory value methods.

Within the Internal Service Fund, inventory consists of auto accessories. The initial purchases of inventory items are recorded as assets and are charged to operating funds on an "as used" basis. Expenses are recorded in the operating fund being charged, and inventory (asset) reductions are recorded in the Internal Service Fund.

Within the governmental funds, inventories are recorded as expenditures when they are purchased rather than when consumed, except for jet and aviation fuel. The fuel inventory initial purchases are recorded as inventory and the sales margin revenue, based on average inventory, is recorded at the time of sale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental and proprietary funds, except for items such as insurance, maintenance agreements, dues, and subscriptions.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

m. Capital Assets

Capital assets, which include property, buildings, improvements, machinery and equipment, and infrastructure, are generally defined by the City as assets with an initial cost of \$5,000 or more. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are valued at historical cost or at an estimated historical cost when no historical records exist. Donated capital assets are valued at the estimated fair value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Improvements	10-30 years
Machinery and equipment	3-30 years
Infrastructure	10-30 years

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There were no impairments of long-lived assets as of December 31, 2023.

n. Compensated Absences

Vesting of accumulated leave time is governed by agreements with various employee groups. For governmental funds, the current portion of leave time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the governmental fund that will issue payment. The long-term portion of leave time is accrued in the government-wide financial statements. For proprietary funds, the full liability is recognized within the fund. No liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

o. Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred outflow of resources is a consumption of net assets that applies to future period(s) and, as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s) and, as such, will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows of resources arise when resources are received by the City before it has legal claim to them, as with property taxes received in advance and when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

o. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Deferred inflows of resources in the special revenue funds represent amounts to be received in future periods as principal repayment of loans to various private companies and individuals. The original sources for these loans were obtained by the City through Community Development Block Grants (CDBG), the HOME Program, New York State Housing programs, or local programs authorized by the Common Council. The original proceeds of the grants were recorded as revenues. Repayment of the loan principal by private companies and individuals is considered departmental income during the period received, which reduces the deferred inflows. Other deferred inflows of resources represent property tax revenue that was not considered available and grant revenues that have not achieved all revenue recognition criteria.

Pension-related deferred outflows of resources and deferred inflows of resources are reported in the governmental and business-type government-wide activities and the Enterprise Fund. Further details of pension-related deferred outflows of resources and deferred inflows of resources are disclosed in Note 7.

OPEB-related deferred outflows of resources and deferred inflows of resources are reported in the governmental and business-type government-wide activities and the Enterprise Fund. Further details of OPEB-related deferred outflows of resources and deferred inflows of resources are disclosed in Note 8.

p. Long-Term Liabilities

The City incurs long-term debt in order to fund major acquisitions and/or capital projects. This enables the cost to be borne by the current and future taxpayers receiving the benefit of the capital assets.

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bonds payable are reported net of the applicable bond premium or discount, if any.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Excess bond premiums, if any, are deposited in the Debt Service Fund and used to retire debt in the respective funds. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The current year's debt principal and interest payments are recognized as expenditures.

q. Pensions

The City is a participating employer in both the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (collectively, the System). Employees in ERS and PFRS permanent positions are required to enroll in the System, while employees in ERS part-time or seasonal positions have the option of enrolling.

The System is a cost-sharing, multiple-employer, public employee defined benefit retirement system. The impact on the City's financial position and results of operations due to its participation in the System is more fully disclosed in Note 7.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

r. Fund Balance/Net Position

Fund balances for governmental funds are reported in classifications that compose a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable: Amounts that cannot be spent because they are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted: Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority and require the same level of formal action to remove the constraint.
- Assigned: Amounts that are constrained only by the government's intent to be used for a specified purpose, as established by the Common Council, or by a designated body or official, but are not restricted or committed in any manner.
- Unassigned: The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund or the Capital Projects Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Common Council, as the highest level of decision-making authority, must take formal action, through a motion or resolution adopted at an official meeting and recorded in the minutes, to authorize or accept any nonspendable, restriction, or commitments of fund balance. In addition, New York State regulations/laws may dictate the accounting for some portion of fund balance, such as sewer funds, and certain restricted revenues (crime proceeds, EMS training, etc.). Portions of fund balance reported in the assigned category may be established either by Common Council approval or through the City's purchasing process. Formal actions taken by the Common Council, such as adoption of the budgets or approval of motions/resolutions, will require the assignment of fund balance. Also, the City Charter and the City's Purchasing Policy authorize the Director of Finance to assign available funds to specific purposes as appropriate, in conformance with a uniform system of accounts formulated and prescribed by the New York State Comptroller.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned, and unassigned.

See Note 12 for a summary of the City's fund balances as of December 31, 2023.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

r. Fund Balance/Net Position (Continued)

The following categories are used for net position of the government-wide and proprietary fund financial statements:

- Net investment in capital assets: This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipation notes (BAN), which are attributable to the acquisition, construction, or improvement of these assets, reduce the balance in this category.
- Restricted net position: This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of the City or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position: This category represents net position of the City not restricted for any project or other purpose.

s. Encumbrances

In governmental funds, 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 resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities. Expenditures of such commitments are recorded in the period the liability is incurred.

City of Oneonta, New York

Notes to Financial Statements December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

s. Encumbrances (Continued)

The following encumbrances were included in fund balances:

	General Fund	Community Development Fund	Capital Projects Fund	Water Fund	Sewer Fund	Miscellaneous Special Revenue Fund	Total
Assigned							
General government support	\$ 171,005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,005
Public safety	136,556	-	-	-	-	-	136,556
Transportation	90,638	-	-	-	-	-	90,638
Culture and recreation	19,625	-	-	-	-	-	19,625
Home and community services	10,000	-	-	108,229	35,631	-	153,860
	<u>427,824</u>	<u>-</u>	<u>-</u>	<u>108,229</u>	<u>35,631</u>	<u>-</u>	<u>571,684</u>
Restricted							
General government support	10,875	-	-	-	-	-	10,875
Public safety	446,479	-	-	-	-	-	446,479
Transportation	240,000	-	-	-	-	-	240,000
Culture and recreation	-	-	-	-	-	7,200	7,200
Home and community services	-	34,875	-	-	-	-	34,875
	<u>697,354</u>	<u>34,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,200</u>	<u>739,429</u>
Capital Projects Unrestricted							
DRI - Market Street improvements	-	-	1,454,717	-	-	-	1,454,717
River & Ann St reconstruction	-	-	615,809	-	-	-	615,809
Routes 23 & 28 complete streets	-	-	494,311	-	-	-	494,311
Water plant improvements	-	-	703,910	-	-	-	703,910
Capital Projects Restricted							
Records management	-	-	30,225	-	-	-	30,225
Clinton/Center Street culvert repairs	-	-	45,963	-	-	-	45,963
DRI - branding/marketing/wayfinding	-	-	24,700	-	-	-	24,700
ARPA - park improvements	-	-	1,050	-	-	-	1,050
Waterfront revitalization	-	-	56,736	-	-	-	56,736
NYSERDA heat pump scoping study	-	-	32,050	-	-	-	32,050
Airport projects	-	-	47,799	-	-	-	47,799
	<u>-</u>	<u>-</u>	<u>3,507,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,507,270</u>
	<u>\$ 1,125,178</u>	<u>\$ 34,875</u>	<u>\$ 3,507,270</u>	<u>\$ 108,229</u>	<u>\$ 35,631</u>	<u>\$ 7,200</u>	<u>\$ 4,818,383</u>

t. Postemployment Benefits

In addition to providing pension benefits, the City provides health insurance coverage for retired employees and their survivors. Substantially all of the City's full-time employees may become eligible for these benefits if they retire while working for the City. Healthcare benefits are provided through an insurance company whose premiums are based on the benefits provided. The City recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. The postemployment fringe benefit costs, including unemployment and any prior-year expense, are reported as "Benefits" on the governmental funds' statement of revenues, expenditures, and changes in fund balances. The current year's fringe benefit expenses for active employees are accounted for within each department and, therefore, reported within each activity in the financial statements. Note 8 provides additional disclosures required for OPEB retiree benefits.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 2. Legal Compliance, Budgets

a. Budgets

Annual appropriated budgets are adopted for the General Fund and the special revenue funds. Formal budgetary policies are employed for the special grant - special revenue fund types on a project-by-project and grant-by-grant basis, rather than an annual basis. All annual appropriations lapse at year-end. Project-length financial plans are adopted for the Capital Projects Fund.

The City employs the following budgetary procedures:

1. On or before October 15, the Director of Finance with submit a draft budget to the City Administrator, the Mayor, and the Common Council. The Common Council shall review the tentative budget for the ensuing year, including a five-year capital plan, at its first meeting in November or at a special meeting.
2. At the second meeting in November, the Common Council may, by simple majority vote of its members, revise any budget lines, except those of the Library Board. By simple majority vote, it shall approve the tentative budget, as amended.
3. At least one week before its first regular meeting in December, a public hearing is conducted to obtain taxpayer comments. The Common Council adopts the City budget at its first regular meeting in December by an affirmative majority vote.
4. In the event that the Common Council fails to adopt a budget by December 10, the budget for the current year becomes the budget for the ensuing year, modified only to add any increased expenditures resulting from previously approved contracts or other obligations of the City.
5. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects, which remain in effect for the life of each project.
6. Budgets are prepared for proprietary funds primarily to establish the estimated contributions required from other funds.
7. Budgeted amounts shown are as originally adopted, or as amended by the Common Council and/or by the December 31, 2022 outstanding purchase orders. The 2022 outstanding purchase orders modified the 2023 adopted budget by \$893,439 for the General Fund, with \$621,297 being from reserves; \$224,172 for the Water Fund, with \$56,788 being from reserves; and \$101,005 for the Sewer Fund, with \$15,106 being from reserves. The following are certain amendments to the original budget approved during the year:
 - a. General Fund: \$477,085 toward the demolition of 27 Market Street, \$375,070 to the Community Development Fund, \$200,000 to the Central Garage for working capital, \$1,000,000 for the Damaschke Field Grand Stand capital project (if New York State honors its grant for this capital project, these monies will be returned to the General Fund), \$875,000 for projects funded by the American Rescue Plan Act, \$53,000 for roof repairs at the Public Safety Building, \$39,000 for the New York State Health Care & Mental Hygiene Worker Bonus program, \$1,000 for restricted donations, \$3,420 for grant writing services for the Fire Department, \$1,344 for airport projects and \$4,521 for concession stand repairs; and
 - b. Water Fund: \$127,898 for timber services.

Expenditures may not legally exceed budgeted appropriations at the activity level.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 2. Legal Compliance, Budgets (Continued)

b. Tax Margin

The City is legally restricted to a tax limit of 2% of the five-year average of the full taxable value of all properties within the City. As of December 31, 2023, the City had a constitutional tax margin of \$6,474,852, or 61.61% of its taxing power.

Note 3. Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

It is the City's policy for deposits to be secured by collateral valued at fair value or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. The City's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the City at year-end. The categories are described as follows:

Category 1: Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3: Uncollateralized.

	Bank Balance	Category			Primary Government	Library
		1	2	3	Carrying Amount	Carrying Amount
Pooled Deposits						
Pooled cash and cash equivalents	\$ 7,719,189	\$ -	\$ 7,719,189	\$ -	\$ 6,956,730	\$ 564,933
Non-Pooled Deposits						
Non-pooled cash and cash equivalents						
General	35,816	-	35,816	-	35,901	-
Special revenue	290,840	-	290,840	-	290,550	-
Fiduciary	21,067	-	21,067	-	-	-
Petty Cash on Hand						
General	3,600	-	3,600	-	3,600	-
Special revenue	105	-	105	-	-	105
Enterprise	4,452	-	4,452	-	4,452	-
Total cash and cash equivalents	\$ 8,075,069	\$ -	\$ 8,075,069	\$ -	\$ 7,291,233	\$ 565,038

Note 4. Receivables

a. Due From Other Governments

General Fund: The General Fund receivable consists primarily of \$796,688, representing November and December 2023 sales tax distributions due from the County of Otsego, and \$18,915 from state and federal grants.

Special revenue funds: Receivables consist of \$271,481 due from the Town of Oneonta for 2023 sewer services, and \$15,265 from the Department of Environmental Conservation for a tree planting grant.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 4. Receivables (Continued)

a. Due From Other Governments (Continued)

Community Development Fund: Receivables of \$223,950 consist entirely of amounts due from various community development grants.

Capital Projects Fund: The Capital Projects Fund receivable consists of the following:

- \$1,753,921 for state grants for street repairs and equipment.
- \$259,082 due for airport grants.
- \$86,717 for a New York State Department of Environmental Conservation grant for the regional composting project.
- \$1,225,978 for the New York State Downtown Revitalization Initiative.
- \$477,915 from the New York RESTORE grant for the demolition of 27 Market Street.
- \$23,964 for the New York State Department of State Local Waterfront Revitalization Program.
- \$69,303 for the New York State Energy Research and Development Authority scoping study to explore clean energy.

Enterprise Fund: The Enterprise Fund receivable of \$56,847 consists of amounts due from a New York State Department of Transportation grant, \$253,109 from the federal Coronavirus Aid, Relief, and Economic Security Act operating grant, \$585,000 due from state and federal grants for the Transit Hub capital project, and \$118,518 due from the County of Otsego for a shared bus services contract.

b. Loans Receivable, Community Development

The City has loaned monies to various companies and individuals under the U.S. Department of Housing and Urban Development programs, New York State Housing programs, New York State Small Cities CDBG programs, and local community development projects approved by the Common Council.

A summary of loans receivable is as follows:

CDBG - First-Time Home Owners	\$	171,592
New York State Housing Trust Fund - Home Program		107,766
New York State Small Cities CDBG - First-Time Home Owners		229,878
Housing Visions		260,940
New York State Affordable Housing Corp.		484,374
New York State CDBG - Multi-Unit Housing Rehabilitation		151,447
		<hr/>
		1,405,997
Less allowance for uncollectible		<hr/>
		(317,000)
		<hr/>
	\$	<u>1,088,997</u>

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 4. Receivables (Continued)

c. Other Receivables

General Fund: The City's Fire Department provides ambulance services and bills based on service provided. During 2023, the City billed 2,275 calls. The balance of unpaid ambulance bills as of December 31, 2023 was \$396,443 and was offset by an allowance for uncollectible accounts of \$208,000. Other receivables also include franchise fees, code enforcement fees, and other miscellaneous receivables considered fully collectible at December 31, 2023, unless otherwise deferred.

Water Fund: The Water Fund receivable consists of \$1,000,398 for billed water usage. This balance was offset by an allowance for uncollectible accounts of \$118,000.

Sewer Fund: The Sewer Fund receivable consists primarily of \$585,491 for billed sewer rents and is considered fully collectible at December 31, 2023.

Proprietary fund: The proprietary fund receivable consist primarily of \$100,627 due from various clients for bus services provided through Oneonta Public Transit and is considered fully collectible at December 31, 2023.

Note 5. Interfund Transactions

A summary of interfund receivables and payables reported within the governmental fund financial statements is as follows:

	Primary Government	
	Due From Other Funds	Due to Other Funds
General Fund	\$ 5,008,858	\$ -
Community Development Fund	-	225,550
Enterprise Fund	-	486,948
Capital Projects Fund	-	4,296,360
	\$ 5,008,858	\$ 5,008,858

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 6. Capital Assets

A summary of changes in capital assets is as follows:

	Balance, January 1, 2023	Additions	Retirements	Balance, December 31, 2023
Land	\$ 1,700,868	\$ -	\$ -	\$ 1,700,868
Buildings	23,009,479	9,053,379	-	32,062,858
Improvements	12,785,640	239,025	-	13,024,665
Machinery and equipment	20,207,738	506,723	(220,281)	20,494,180
Infrastructure	57,820,463	2,828,001	-	60,648,464
Construction in progress	13,396,150	6,349,783	(11,072,582)	8,673,351
	<u>128,920,338</u>	<u>18,976,911</u>	<u>(11,292,863)</u>	<u>136,604,386</u>
Less accumulated depreciation	(63,200,992)	(4,523,175)	220,281	(67,503,886)
	<u>\$ 65,719,346</u>	<u>\$ 14,453,736</u>	<u>\$ (11,072,582)</u>	<u>\$ 69,100,500</u>

A summary of capital assets by reporting unit is as follows:

	Governmental	Public Transportation	Total
Land	\$ 1,694,905	\$ 5,963	\$ 1,700,868
Buildings	30,315,618	1,747,240	32,062,858
Improvements	12,895,996	128,669	13,024,665
Machinery and equipment	15,172,564	5,321,616	20,494,180
Infrastructure	60,648,464	-	60,648,464
Construction in progress	7,882,796	790,555	8,673,351
	<u>128,610,343</u>	<u>7,994,043</u>	<u>136,604,386</u>
Less accumulated depreciation			
Buildings	(14,505,886)	(1,746,158)	(16,252,044)
Improvements	(5,990,375)	(128,669)	(6,119,044)
Machinery and equipment	(11,113,264)	(2,903,584)	(14,016,848)
Infrastructure	(31,115,950)	-	(31,115,950)
	<u>(62,725,475)</u>	<u>(4,778,411)</u>	<u>(67,503,886)</u>
	<u>\$ 65,884,868</u>	<u>\$ 3,215,632</u>	<u>\$ 69,100,500</u>

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 6. Capital Assets (Continued)

Depreciation expense for 2023 was charged to functions of the primary government as follows:

General governmental support	\$	168,849
Public safety		354,990
Transportation		1,878,754
Economic opportunity and development		135,811
Culture and recreation		360,427
Home and community services		1,208,130
		<hr/>
	\$	4,106,961

Note 7. Retirement Systems

The City participates in ERS and PFRS, which are collectively referred to as the System. These are cost-sharing, multiple-employer retirement systems. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in fiduciary 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. The Comptroller of the State of New York is an elected official determined in a direct statewide election and serves a four-year term. The System's benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a New York State statute.

The City also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State of New York'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.

a. Benefits Provided

The System provides retirement benefits as well as death and disability benefits. Benefits are pursuant to the membership plan, Tiers 1 through 6, and special plans. The System also provides ordinary disability benefits, accidental disability benefits, ordinary death benefits, and post-retirement benefit increases. Details of eligibility and benefit calculations may be found at www.osc.state.ny.us.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 7. Retirement Systems (Continued)

b. Contributions

The System is noncontributory, except for employees who joined ERS after July 27, 1976 and contribute 3% of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) and generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2023, was approximately 11.6% and 27.0% of payroll, respectively. Under the authority of the NYSRSSL, the Comptroller of the State of New York annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required and were as follows:

Year ended December 31,	Primary Government		Library
	ERS	PFRS	ERS
2023	\$ 487,427	\$ 1,119,050	\$ 42,562
2022	394,513	1,041,442	36,643
2021	519,883	1,044,763	47,825

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

At December 31, 2023, the City reported a net pension liability of \$8,118,120 in the governmental activities statement of net position, a net pension liability of \$394,101 in the business-type activities statement of net position and a net pension liability of \$282,882 within the Library statement of net position. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2023, the City's proportion was 0.0132762% in ERS and 0.1028093% in PFRS. The Library's proportion was 0.0013192% in ERS.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 7. Retirement Systems (Continued)

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2023, the City recognized pension expense of \$2,424,777 in the governmental activities, \$223,953 in the business-type activities and \$87,422 in the Library. The City recognizes pension expense, per fund/department/employee, on a biweekly process via the payroll system. The total year-end income and expense is adjusted for prior-year adjustments presented on the annual billing received from the System and any required adjustments. At December 31, 2023, the governmental activities, the business-type activities, and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 814,970	\$ 68,884
Changes in assumptions	3,951,933	13,166
Net differences between projected and actual investment earnings on pension plan investments	10,015	14,411
Changes in proportion and differences between employer contributions and proportionate share of contributions	107,471	371,362
City contributions subsequent to the measurement date	1,321,636	-
Total	\$ 6,206,025	\$ 467,823
	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,976	\$ 11,069
Changes in assumptions	191,401	2,115
Net differences between projected and actual investment earnings on pension plan investments	-	2,315
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,720	10,897
City contributions subsequent to the measurement date	59,884	-
Total	\$ 298,981	\$ 26,396

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 7. Retirement Systems (Continued)

c. *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,129	\$ 7,944
Changes in assumptions	137,386	1,518
Net differences between projected and actual investment earnings on pension plan investments	-	1,662
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,863	23,351
Library contributions subsequent to the measurement date	27,990	-
Total	\$ 199,368	\$ 34,475

Governmental activities, business-type activities, and Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

	Primary Government			Library
	Governmental Activities	Business-Type Activities	Total	
Year ending December 31,				
2024	\$ 857,467	\$ 49,440	\$ 906,907	\$ 28,577
2025	(324,106)	(22,796)	(346,902)	(22,142)
2026	2,122,413	79,275	2,201,688	54,934
2027	1,677,556	106,782	1,784,338	75,534
2028	83,236	-	83,236	-
Total	\$ 4,416,566	\$ 212,701	\$ 4,629,267	\$ 136,903

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 7. Retirement Systems (Continued)

d. Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. Significant actuarial assumptions used in the valuation were as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.9%
Salary Scale	
ERS	4.4%, indexed by service
PFRS	6.2%, indexed by service
Investment Rate of Return, Including Inflation	5.9%, compounded annually, net of expenses
Cost-of-Living Adjustment	1.5%
Decrement	Based on FY2016-2020 experience
Mortality Improvement	Society of Actuaries' Scale MP-2021

Annuitant mortality rates are based on the April 1, 2015 to March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/absolute return strategy	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 7. Retirement Systems (Continued)

e. Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

<u>Share of Net Pension Liability (Asset)</u>	<u>1% Decrease (4.9%)</u>	<u>Current Discount (5.9%)</u>	<u>1% Increase (6.9%)</u>
Governmental activities	\$ 17,737,002	\$ 8,118,120	\$ 126,851
Business-type activities	952,376	394,101	(72,401)
Library	683,605	282,882	(51,968)
	<u>\$ 19,372,983</u>	<u>\$ 8,795,103</u>	<u>\$ 2,482</u>

g. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2023, were as follows (in thousands):

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 232,627,259	\$ 43,835,333	\$ 276,462,592
Plan net position	<u>(211,183,223)</u>	<u>(38,324,863)</u>	<u>(249,508,086)</u>
Employers' net pension liability	<u>\$ 21,444,036</u>	<u>\$ 5,510,470</u>	<u>\$ 26,954,506</u>
Ratio of plan net position to the employers' total pension liability	<u>90.78%</u>	<u>87.43%</u>	<u>90.25%</u>

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 8. Postemployment Benefits Other Than Pensions

The City administers a single-employer defined benefit healthcare plan (the Plan). The Plan provides for the continuation of medical insurance benefits for certain retirees and their families and can be amended by action of the City subject to applicable collective bargaining and employment agreements.

A summary of active employees and retired employees covered under the Plan as of December 31, 2023, is as follows:

	Primary Government	Library
Active employees	139	10
Retirees	133	4
Survivors	3	-
	275	14

Employees covered include the employees of the Civil Service Employees Association, Police Benevolent Association, Firefighters Sergeants Association, non-union administration, and non-represented employees. The Plan is open to new entrants. The Plan is subject to good faith collective bargaining between the City and these covered employees. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The obligations of the Plan members, employers, and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the City. For the year ended December 31, 2023, the City's benefit payments totaled \$1,354,819 for the City and \$14,472 for the Library. Some Plan members receiving benefits contribute a percentage of their premium costs. Total member contributions were \$360,582 for the year ended December 31, 2023.

At December 31, 2023, the City reported an OPEB liability of \$26,789,561 in the governmental activities and \$778,825 within the Library. The OPEB liability was measured as of January 1, 2023 by an actuarial valuation using census data information as of that date. For the year ended December 31, 2023, the City recognized OPEB expense of \$3,832,138 in the governmental activities and \$141,106 within the Library. At December 31, 2023, the governmental activities and the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,255,010
Changes in assumptions	6,487,717	14,497,030
	\$ 6,487,717	\$ 19,752,040

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 8. Postemployment Benefits Other Than Pensions (Continued)

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 223,810
Changes in assumptions	243,792	815,609
	\$ 243,792	\$ 1,039,419

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

	Governmental Activities	Library
	Year ending December 31,	
2024	\$ (2,988,086)	\$ (128,368)
2025	(2,503,535)	(113,382)
2026	(2,488,558)	(112,920)
2027	(2,555,395)	(86,479)
2028	(2,772,850)	(82,409)
Thereafter	44,101	(272,069)
Total	\$ (13,264,323)	\$ (795,627)

The total OPEB liability at December 31, 2023 was determined using the following actuarial assumptions:

- *Discount rate:* A discount rate of 3.77% was used, based on the Fidelity General Obligation 20-Year AA Municipal Bond Index as of December 31, 2023.
- *Retirement age for active employees:* Based on the historical average retirement age for the covered group according to ERS and PFRS.
- *Spousal coverage:* 70% of employees were assumed to elect spousal coverage. Females are assumed to be three years younger than males. Actual spouse coverage information was used for retirees where available.
- *Mortality:* The sex-distinct and job-category-specific headcount-weighted PUB-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, and then adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis.
- *Turnover:* Employees are assumed to withdraw in accordance with the rates based on the April 1, 2015 to March 31, 2020 ERS. The City's experience is not expected to deviate significantly from this experience.
- *Election percentage:* It is assumed that all active employees will elect medical and prescription coverage upon retirement, if eligible. Actual elections for current retirees are used.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 8. Postemployment Benefits Other Than Pensions (Continued)

- *Healthcare cost trend rate:* The expected rate of increase in healthcare insurance premiums is assumed as follows:

Year	Pre-65 Medical	Post-65 Medical	Prescription Drug
2022	7.000%	4.500%	7.000%
2023	6.750%	4.400%	6.750%
2024	6.500%	4.300%	6.500%
2025	6.250%	4.200%	6.250%
2035	4.822%	4.200%	4.822%
2045	4.650%	4.200%	4.650%
2055	4.482%	4.200%	4.482%
2065	4.383%	4.200%	4.383%
2075+	3.784%	3.784%	3.784%

The annual rate of increase in healthcare costs was based on a review of published national trend survey data, including long-term rates based on the Society of Actuaries' Long-Term Healthcare Cost Trends Model (the Getzen Model).

- *Annual rate of increase in the Consumer Price Index (CPI):* CPI of 2.50% was assumed for purposes of determining future increases in limits corresponding to the excise tax of the Affordable Care Act on high-cost, employer-sponsored health plans. This assumption is consistent with historical CPI data as well as future expectations.
- *Health insurance premiums:* 2023 health insurance premiums for retirees were used as the basis for calculating the present value of total benefits to be paid.
- *Payroll growth rate:* No salary increases were assumed since benefits are not based on compensation.

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and the cost-sharing provisions then in effect.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 8. Postemployment Benefits Other Than Pensions (Continued)

Changes in the OPEB liability are as follows:

	Governmental Activities	Library	Total
Balance as of January 1, 2023	\$ 25,531,182	\$ 670,369	\$ 26,201,551
Changes for the year			
Service cost	906,090	42,115	948,205
Interest	1,043,274	28,563	1,071,837
Change in benefit terms	(1,218,940)	(18,178)	(1,237,118)
Changes in assumptions and other inputs	1,882,774	70,428	1,953,202
Benefit payments	(1,354,819)	(14,472)	(1,369,291)
Net changes	1,258,379	108,456	1,366,835
Balance as of December 31, 2023	\$ 26,789,561	\$ 778,825	\$ 27,568,386

The following presents the OPEB liability of the Plan as of December 31, 2023, calculated using the current health care cost trend rate, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	Governmental Activities		
	1% Decrease	Current Rate	1% Increase
OPEB liability	\$ 22,968,582	\$ 26,789,561	\$ 31,532,145
	Library		
	1% Decrease	Current Rate	1% Increase
OPEB liability	\$ 667,742	\$ 778,825	\$ 916,701

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 8. Postemployment Benefits Other Than Pensions (Continued)

The following presents the OPEB liability of the Plan as of December 31, 2023, calculated using the discount rate of 3.77%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Governmental Activities		
	1% Decrease	Current	1% Increase
	(2.77%)	Discount (3.77%)	(4.77%)
OPEB liability	<u>\$ 30,106,367</u>	<u>\$ 26,789,561</u>	<u>\$ 23,964,203</u>
	Library		
	1% Decrease	Current	1% Increase
	(2.77%)	Discount (3.77%)	(4.77%)
OPEB liability	<u>\$ 875,251</u>	<u>\$ 778,825</u>	<u>\$ 696,686</u>

Note 9. Indebtedness

A summary of the changes in the City's indebtedness is as follows:

	Bonds	Bond Premiums	Installment Purchase Debt	Compensated Absences	Total
Payable, <i>beginning of year</i>	\$ 21,576,540	\$ 476,435	\$ 1,333,285	\$ 589,408	\$ 23,975,668
Additions	-	-	-	67,387	67,387
Retirements	(1,457,257)	(44,811)	(251,935)	-	(1,754,003)
Payable, <i>end of year</i>	<u>\$ 20,119,283</u>	<u>\$ 431,624</u>	<u>\$ 1,081,350</u>	<u>\$ 656,795</u>	<u>\$ 22,289,052</u>

City of Oneonta, New York

Notes to Financial Statements December 31, 2023

Note 9. Indebtedness (Continued)

A summary of the City's indebtedness under bonds payable, by fund, is as follows:

Description	Issue Date	Original Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2023
General Fund					
Streets/Bridge	May-17	\$ 1,859,726	2.000%-3.000%	May-33	\$ 1,264,168
Streets/Equipment/Recreation	May-18	1,452,500	2.000%-4.500%	May-30	858,000
Streets/Parking Lot/Garage	Aug-20	1,510,000	2.000%-4.000%	Feb-32	1,188,000
Street/West Reconstruction	Aug-22	975,000	3.000%-3.250%	Aug-35	915,000
Street Lighting	Aug-22	1,487,277	3.000%-3.250%	Aug-35	1,390,000
Total General Fund					5,615,168
Water Fund					
Water Distribution	May-17	2,318,598	2.000%-3.000%	May-33	1,576,097
Water Distribution/Plant	May-18	351,500	2.000%-4.500%	May-30	197,000
Water Distribution/Mixers/MIOX	Aug-20	990,000	2.000%-4.000%	Feb-32	778,000
Water Distribution/Reservoirs/Plant	Aug-20	2,394,000	2.000%	Aug-40	2,094,900
Water Distribution/West	Aug-22	710,000	3.000%-3.250%	Aug-35	665,000
Total Water Fund					5,310,997
Sewer Fund					
Wastewater Treatment	Nov-12	1,145,000	5.370%-6.180%	May-24	115,000
Sanitary Sewers	May-17	21,676	2.000%-3.000%	May-33	14,735
Sanitary Sewers/Wastewater	May-18	1,086,000	2.000%-4.500%	May-30	680,000
Sanitary/Barscreen/Digester	Aug-20	1,040,000	2.000%-4.000%	Feb-32	819,000
Sanitary Sewers	Aug-20	640,000	2.000%	Aug-40	560,100
Sanitary Sewers/West	Aug-22	515,000	3.000%-3.250%	Aug-35	480,000
Wastewater Treatment Plant	Dec-22	6,749,263	0.000%	Oct-52	6,524,283
Total Sewer Fund					9,193,118
Total governmental activities					\$ 20,119,283

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 9. Indebtedness (Continued)

Aggregate annual debt service of bonds payable is as follows:

Year ending December 31,	Principal	Interest
2024	\$ 1,484,980	\$ 385,663
2025	1,404,980	352,213
2026	1,439,843	312,812
2027	1,484,980	270,862
2028	1,529,980	227,963
2029-2033	6,619,900	607,488
2034-2038	2,639,900	120,412
2039-2043	1,489,900	11,000
2044-2048	1,124,900	-
2049-2052	899,920	-
	\$ 20,119,283	\$ 2,288,413

The following bond issues were authorized by the Common Council but unissued as of December 31, 2023:

Resolution Date	Amount Authorized	Purpose
March 7, 2023	\$ 8,072,625	Water System Improvements
June 6, 2023	1,225,000	Water Main Replacement
June 6, 2023	5,253,000	Wastewater Treatment Plant Improvements
December 5, 2023	7,500,000	Market Street Improvements
December 19, 2023	1,905,000	Fire Truck

At December 31, 2023, the legal debt limit for the City was \$36,783,386, and the debt margin was \$31,168,218. All significant bond covenants have been complied with.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 9. Indebtedness (Continued)

During 2012, the City entered into a long-term installment purchase contract for \$3,500,000 to fund various energy performance improvements within several City departments. The installment purchase contract requires annual payments of \$289,800, including interest at 2.84%, with a final maturity in July 2027. A summary of the changes in the City's indebtedness under the installment purchase debt, by fund, is as follows:

	Principal Balance December 31, 2022	Retirements	Principal Balance December 31, 2023
General Fund	\$ 439,225	\$ (82,995)	\$ 356,230
Water Fund	796,944	(150,589)	646,355
Sewer Fund	97,116	(18,351)	78,765
	\$ 1,333,285	\$ (251,935)	\$ 1,081,350

Aggregate annual debt service of installment purchase debt payable is as follows:

	Principal	Interest
Year ending December 31,		
2024	\$ 259,090	\$ 30,710
2025	266,448	23,352
2026	274,016	15,785
2027	281,796	8,004
	\$ 1,081,350	\$ 77,851

Note 10. Deferred Compensation Plan

The employees of the City may elect to participate in the New York State 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 11. Property Taxes

The City's property taxes are levied annually on or before December 31 of each year for the ensuing calendar year commencing on January 1. Real property values upon which taxes are levied are established as of July 1 of each year. Taxes for City and Library purposes are levied with the County of Otsego taxes as a single tax bill that is due and payable on January 1 and becomes delinquent on February 1. Pursuant to an intermunicipal agreement with the County of Otsego, the City collects taxes during the four-month collection period from January 1 through April 30. The first monies received are used to satisfy the total tax levies of the City and the Library; money received in excess to satisfy these levies are remitted to the County. In the event that insufficient money is received to satisfy the City and Library levies, the County pays the City and the Library an amount necessary to satisfy the balance of their levies. At the end of the four-month collection period, all unpaid taxes are returned to the County of Otsego for enforcement.

City of Oneonta, New York

Notes to Financial Statements December 31, 2023

Note 11. Property Taxes (Continued)

For the year ended December 31, 2023, the tax rates were as follows:

City	\$10.2787 per thousand of assessed value
Library	\$1.0741 per thousand of assessed value

Note 12. Fund Balances

A summary of the City's governmental fund balances is as follows:

	December 31, 2023					
	Major Funds				Other	Total
	General	Capital Projects	Water	Community Development	Governmental Funds	Governmental Funds
Nonspendable						
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ 1,498,742	\$ 1,498,742
Inventory	20,986	-	-	-	-	20,986
Prepaid expenses	223,707	514,604	4,876	-	5,353	748,540
Total nonspendable fund balances	244,693	514,604	4,876	-	1,504,095	2,268,268
Restricted						
Bonded debt	-	-	-	-	168,314	168,314
Capital	4,909,897	101,360	458,649	-	487,967	5,957,873
Insurance	43,546	-	-	-	-	43,546
Crime proceeds	32,064	-	-	-	-	32,064
DBL awareness	15,651	-	-	-	-	15,651
Employee benefits	337,084	-	33,432	-	33,952	404,468
EMS education	4,140	-	-	-	-	4,140
Grant programs	-	-	-	83,788	-	83,788
Repairs	297,405	-	-	-	-	297,405
Restricted gifts	287,081	-	-	-	310,495	597,576
Sewer Fund	-	-	-	-	1,702,316	1,702,316
Parks and recreation	141,632	-	-	-	-	141,632
Special event	19,447	-	-	-	-	19,447
Total restricted fund balances	6,087,947	101,360	492,081	83,788	2,703,044	9,468,220
Committed						
Capital Projects Fund	-	199,259	-	-	-	199,259
Local grant program	-	-	-	126,773	-	126,773
Total committed fund balances	-	199,259	-	126,773	-	326,032
Assigned						
Appropriated assigned	1,834,296	-	-	-	76,400	1,910,696
Encumbrances	427,824	-	-	-	-	427,824
Community landscaping	-	-	-	-	423,393	423,393
Greenway project	-	-	-	-	11,798	11,798
Unappropriated	-	-	1,382,937	-	-	1,382,937
Total assigned fund balances	2,262,120	-	1,382,937	-	511,591	4,156,648
Unassigned						
Capital Projects Fund	-	(1,687,612)	-	-	-	(1,687,612)
Unrestricted fund balance	7,436,402	-	-	-	-	7,436,402
Total unrestricted fund balances	7,436,402	(1,687,612)	-	-	-	5,748,790
Total fund balances	\$ 16,031,162	\$ (872,389)	\$ 1,879,894	\$ 210,561	\$ 4,718,730	\$ 21,967,958

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 12. Fund Balances (Continued)

Certain projects within the Capital Projects Fund have a deficit fund balance at December 31, 2023. These projects will be financed with future bonds, grant proceeds or contributions from the General Fund.

Note 13. Commitments and Contingencies

a. Grants

Grants received by the City are subject to audit by certain agencies of New York State and the federal government. Such audits could possibly result in disallowances and a request for return of funds. The City's administration believes disallowances, if any, will be immaterial.

b. Litigation

The City is currently defending approximately two miscellaneous matters through its insurance carrier. The City believes that none of these claims approach the limits of coverage of the insurance maintained by the City. In addition, there are other general claims and tax assessment cases pending against the City arising out of the normal course of business, which are not covered by insurance. These claims are being defended, and some amounts may be due to said claimants for tax rebates, services performed, or items provided to the City. Even if successful on all claims, however, payment of the amounts in the controversy would not have a significant impact on the City's financial condition. Currently, two (2) Notices of Claim have been filed against the City. All of these matters have been referred to the City's insurance carrier for appropriate action. No unasserted claims or assessment are known at this time.

c. Tax Abatements

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City has Payment in Lieu of Taxes agreements with several organizations throughout the City for the purpose of encouraging economic development, affordable housing, and not-for-profit activities.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is also subject to tax abatement agreements entered into by the Otsego County Industrial Development Agency (IDA).

Copies of agreements may be obtained from Virginia Lee, Director of Finance, 258 Main Street, Oneonta, NY 13820, vlee@oneonta.ny.us.

The information relevant to the City's agreements for 2023 is as follows:

Real Property Tax Law Section	Tax Abatement	Agreement With	Amount of Taxes Abated
412-a	Municipal IDA	Otsego County IDA	\$ 114,344
420-b	Private Community Service & Social Organization	City of Oneonta	31,407
422	Not-for-Profit Housing Companies	City of Oneonta	26,413
			\$ 172,164

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 14. Subsequent Events

a. *New York State Touring Routes State Aid*

In April 2024, the City was awarded \$1,036,048 from New York State's \$150 million highway and bridge project fund called the City Touring Routes Program. This program includes the City's Touring Routes but also may be used toward any expenditure that also qualifies for the State of New York's Consolidated Local Street and Highway Improvement Program.

b. *Market Street Improvement Project*

The City's Market Street Improvement Project is progressing well and is anticipated to be completed by the end of 2025. This includes the Market Street streetscape, the Water Street renovation, the demolition of the parking garage, installing a new surface-level parking lot, and building a new \$10 million Transit Hub being funded with a Federal Transit Administration grant. The total project is estimated to be \$23 million, with the local portion being estimated at \$7.5 million. The City will be issuing a \$6 million BAN in the fall of 2024.

c. *Bipartisan Infrastructure Law (BIL) - Clean Water State Revolving Fund*

In July 2024, the City received approval of a BIL grant in the amount of \$2,626,500 as well as \$2,626,500 interest-free financing through the NYSEFC for the Wastewater Treatment Plant Upgrade Project, Phase 2.

d. *New York State 2024 Temporary Municipal Assistance (TMA)*

In August 2024, the City received \$259,166 from New York State via the TMA enacted by Chapter 53 of the Laws of 2024.

Note 15. Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 101, Compensated Absences: This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures: The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

City of Oneonta, New York

Notes to Financial Statements
December 31, 2023

Note 15. Accounting Standards Issued But Not Yet Implemented (Continued)

GASB Statement No. 103, Financial Reporting Model Improvements: This statement improves key components of the financial reporting model, including a reiteration of the Management's Discussion and Analysis requirements, description and presentation requirements for unusual or infrequent items, definitions of nonoperating revenues and expenses, major component unit presentation requirements, and the requirement that budgetary comparison information be presented as required supplementary information versus a statement. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the extent of the potential impact of these statements, if any, on the City's financial statements.

City of Oneonta, New York

Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	2023		2022		2021		2020	
	Governmental Activities	Library	Governmental Activities	Library	Governmental Activities	Library	Governmental Activities	Library
Beginning of year	\$ 25,531,182	\$ 670,369	\$ 46,747,797	\$ 1,598,620	\$ 44,185,351	\$ 1,390,061	\$ 43,274,459	\$ 1,503,511
Changes for the year								
Service cost	906,090	42,115	1,352,867	71,725	1,673,927	132,770	1,276,720	100,846
Interest	1,043,274	28,563	590,551	16,871	900,226	30,203	1,058,676	32,594
Change in benefit terms	(1,218,940)	(18,178)	-	-	(21,126)	-	69,378	-
Differences between expected and actual experience	-	-	(15,182,775)	(740,232)	-	-	(5,266,334)	(407,187)
Changes in assumptions and other inputs	1,882,774	70,428	(6,331,777)	(250,244)	1,705,404	70,954	5,347,464	184,207
Benefit payments	(1,354,819)	(14,472)	(1,645,481)	(26,371)	(1,695,965)	(25,366)	(1,575,012)	(23,910)
Net changes	1,258,379	108,456	(21,216,615)	(928,251)	2,562,446	208,559	910,892	(113,450)
End of year	\$ 26,789,561	\$ 778,825	\$ 25,531,182	\$ 670,369	\$ 46,747,797	\$ 1,598,620	\$ 44,185,351	\$ 1,390,061
Covered payroll	\$ 8,300,940	\$ 382,311	\$ 7,927,827	\$ 365,928	\$ 7,477,149	\$ 378,598	\$ 7,227,456	\$ 394,896
OPEB liability as a percentage of covered payroll	322.73%	203.72%	322.05%	183.20%	625.21%	422.25%	611.35%	352.01%

* Years prior to 2020 present the Governmental Activities and Library OPEB liability in total.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Oneonta, New York

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability (Asset)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
PRIMARY GOVERNMENT - ERS									
Proportion of the net pension liability (asset)	0.0132762%	0.0127650%	0.0124370%	0.0124228%	0.0124608%	0.0123934%	0.0121677%	0.0127105%	0.0127349%
Proportionate share of the net pension liability (asset)	\$ 2,846,943	\$ (1,043,483)	\$ 12,384	\$ 3,289,641	\$ 882,887	\$ 399,991	\$ 1,143,303	\$ 2,040,064	\$ 430,217
Covered-employee payroll	\$ 4,108,586	\$ 3,775,783	\$ 3,546,701	\$ 3,639,652	\$ 3,575,569	\$ 3,469,064	\$ 3,235,468	\$ 3,229,349	\$ 3,196,070
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.29%	-27.64%	0.35%	90.38%	24.69%	11.53%	35.34%	63.17%	13.46%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
PRIMARY GOVERNMENT - PFRS									
Proportion of the net pension liability	0.1028093%	0.1058562%	0.1014652%	0.1053066%	0.1033298%	0.1059871%	0.1100060%	0.1210347%	0.1223603%
Proportionate share of the net pension liability	\$ 5,665,278	\$ 601,310	\$ 1,761,716	\$ 5,628,571	\$ 1,732,906	\$ 1,071,272	\$ 2,280,043	\$ 3,583,580	\$ 336,808
Covered-employee payroll	\$ 4,012,301	\$ 3,822,122	\$ 3,672,829	\$ 3,628,071	\$ 3,716,047	\$ 3,439,730	\$ 3,439,962	\$ 3,409,696	\$ 3,418,991
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	141.20%	15.73%	47.97%	155.14%	46.63%	31.14%	66.28%	105.10%	9.85%
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%	99.00%
DISCRETELY PRESENTED COMPONENT UNIT - ERS									
Proportion of the net pension liability (asset)	0.00113192%	0.0013243%	0.0012699%	0.0013705%	0.0013095%	0.0013987%	0.0014132%	0.0015610%	0.0015365%
Proportionate share of the net pension liability (asset)	\$ 282,882	\$ (108,257)	\$ 1,264	\$ 362,903	\$ 92,784	\$ 45,142	\$ 132,792	\$ 250,539	\$ 51,908
Covered-employee payroll	\$ 394,438	\$ 396,551	\$ 400,623	\$ 375,987	\$ 379,362	\$ 349,219	\$ 361,507	\$ 337,200	\$ 315,246
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.72%	-27.30%	0.32%	96.52%	24.46%	12.93%	36.73%	74.30%	16.47%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Oneonta, New York

Required Supplementary Information Schedule of Pension Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PRIMARY GOVERNMENT - ERS										
Contractually required contribution	\$ 487,427	\$ 394,513	\$ 519,883	\$ 481,268	\$ 477,712	\$ 477,091	\$ 468,196	\$ 484,064	\$ 551,093	\$ 643,135
Contributions in relation to the contractually required contribution	\$ 487,427	\$ 394,513	\$ 519,883	\$ 481,268	\$ 477,712	\$ 477,091	\$ 468,196	\$ 484,064	\$ 551,093	\$ 643,135
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,108,586	\$ 3,775,783	\$ 3,546,701	\$ 3,639,652	\$ 3,575,569	\$ 3,469,064	\$ 3,235,468	\$ 3,229,349	\$ 3,196,070	\$ 3,294,157
Contributions as a percentage of covered-employee payroll	11.86%	10.45%	14.66%	13.22%	13.36%	13.75%	14.47%	14.99%	17.24%	19.52%
PRIMARY GOVERNMENT - PFRS										
Contractually required contribution	\$ 1,119,050	\$ 1,041,442	\$ 1,044,763	\$ 885,662	\$ 855,857	\$ 778,459	\$ 807,516	\$ 789,155	\$ 844,508	\$ 873,268
Contributions in relation to the contractually required contribution	\$ 1,119,050	\$ 1,041,442	\$ 1,044,763	\$ 885,662	\$ 855,857	\$ 778,459	\$ 807,516	\$ 789,155	\$ 844,508	\$ 873,268
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,012,301	\$ 3,822,122	\$ 3,672,829	\$ 3,628,071	\$ 3,716,047	\$ 3,439,730	\$ 3,439,962	\$ 3,409,696	\$ 3,418,991	\$ 3,348,522
Contributions as a percentage of covered-employee payroll	27.89%	27.25%	28.45%	24.41%	23.03%	22.63%	23.47%	23.14%	24.70%	26.08%
DISCRETELY PRESENTED COMPONENT UNIT - ERS										
Contractually required contribution	\$ 42,562	\$ 36,643	\$ 47,825	\$ 41,646	\$ 43,131	\$ 40,339	\$ 41,472	\$ 40,972	\$ 45,137	\$ 36,064
Contributions in relation to the contractually required contribution	\$ 42,562	\$ 36,643	\$ 47,825	\$ 41,646	\$ 43,131	\$ 40,339	\$ 41,472	\$ 40,972	\$ 45,137	\$ 36,064
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 394,438	\$ 396,551	\$ 400,623	\$ 375,987	\$ 379,362	\$ 349,219	\$ 361,507	\$ 337,200	\$ 315,246	\$ 335,359
Contributions as a percentage of covered-employee payroll	10.79%	9.24%	11.94%	11.08%	11.37%	11.55%	11.47%	12.15%	14.32%	10.75%

See Independent Auditor's Report.

City of Oneonta, New York

Supplementary Information
Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2023				
	Sewer	Miscellaneous Special Revenue	Permanent	Debt Service	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 575,353	\$ -	\$ -	\$ 575,353
Cash and cash equivalents, restricted	1,024,149	157,792	20,000	168,314	1,370,255
Investments, restricted	521,920	153,081	1,478,742	-	2,153,743
Other receivables	609,320	-	-	-	609,320
Due from other governments	271,481	15,265	-	-	286,746
Prepaid expenses	5,353	-	-	-	5,353
Total assets	\$ 2,432,223	\$ 901,491	\$ 1,498,742	\$ 168,314	\$ 5,000,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 55,166	\$ 79,405	\$ -	\$ -	\$ 134,571
Accrued liabilities	18,469	-	-	-	18,469
Total liabilities	73,635	79,405	-	-	153,040
Deferred inflows of resources	129,000	-	-	-	129,000
Fund balances					
Nonspendable	5,353	-	1,498,742	-	1,504,095
Restricted	2,224,235	310,495	-	168,314	2,703,044
Assigned	-	511,591	-	-	511,591
Total fund balances	2,229,588	822,086	1,498,742	168,314	4,718,730
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,432,223	\$ 901,491	\$ 1,498,742	\$ 168,314	\$ 5,000,770

See Independent Auditor's Report.

City of Oneonta, New York

Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended December 31, 2023				
	Sewer	Miscellaneous Special Revenue	Permanent	Debt Service	Total
REVENUES					
Departmental income	\$ 2,217,081	\$ -	\$ -	\$ -	\$ 2,217,081
Intergovernmental charges	271,480	-	-	-	271,480
Use of money and property	50,646	85,206	-	-	135,852
Sale of property and compensation for loss	132,224	181,147	-	-	313,371
Miscellaneous local sources	-	25,790	-	-	25,790
State aid	-	15,265	-	-	15,265
Federal aid	27,040	-	-	-	27,040
Total revenues	2,698,471	307,408	-	-	3,005,879
EXPENDITURES					
General government support	52,231	-	-	-	52,231
Culture and recreation	-	27,845	-	-	27,845
Home and community services	1,524,268	121,461	-	-	1,645,729
Benefits	77,506	-	-	-	77,506
Debt service, principal	581,495	-	-	-	581,495
Debt service, interest	85,448	-	-	-	85,448
Total expenditures	2,320,948	149,306	-	-	2,470,254
Excess of revenues over expenditures	377,523	158,102	-	-	535,625
OTHER FINANCING SOURCES (USES)					
Operating transfers in	51,328	424,390	-	343,751	819,469
Operating transfers out	(515)	-	-	(325,493)	(326,008)
Total other financing sources (uses)	50,813	424,390	-	18,258	493,461
Change in fund balances	428,336	582,492	-	18,258	1,029,086
FUND BALANCES, beginning of year	1,801,252	239,594	1,498,742	150,056	3,689,644
FUND BALANCES, end of year	\$ 2,229,588	\$ 822,086	\$ 1,498,742	\$ 168,314	\$ 4,718,730

See Independent Auditor's Report.

City of Oneonta, New York

Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Combined Special Revenue Funds

	Year Ended December 31, 2023					2024 Adopted Budget
	Difference		Variance With		Actual	
	Adopted vs. Modified Positive (Negative)	Modified Budget	Actual	Actual vs. Modified Positive (Negative)		
REVENUES						
Departmental income	\$ 2,089,000	\$ 2,089,000	\$ -	\$ 2,217,081	\$ 128,081	\$ 2,325,000
Intergovernmental charges	332,000	332,000	-	271,480	(60,520)	330,000
Use of money and property	9,000	9,000	-	135,852	126,852	52,000
Sale of property and compensation for loss	100,000	100,000	-	313,371	213,371	110,000
Miscellaneous local sources	14,000	14,000	-	25,791	11,791	10,925
State aid	-	-	-	15,265	15,265	-
Federal aid	-	-	-	27,040	27,040	-
Total revenues	<u>2,544,000</u>	<u>2,544,000</u>	<u>-</u>	<u>3,005,880</u>	<u>461,880</u>	<u>2,827,925</u>
EXPENDITURES						
General government support	152,504	107,730	44,774	52,231	55,499	162,370
Culture and recreation	45,733	76,663	(30,930)	27,845	48,818	54,325
Home and community services	1,630,546	1,929,932	(299,386)	1,645,729	284,203	2,008,440
Benefits	103,000	103,250	(250)	77,506	25,744	87,600
Debt service, principal	581,496	581,496	-	581,495	1	591,043
Debt service, interest	85,454	85,454	-	85,448	6	78,457
Total expenditures	<u>2,598,733</u>	<u>2,884,525</u>	<u>(285,792)</u>	<u>2,470,254</u>	<u>414,271</u>	<u>2,982,235</u>
Excess (deficiency) of revenues over expenditures	(54,733)	(340,525)	(285,792)	535,626	876,151	(154,310)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	475,717	475,717	-
Operating transfers out	-	(3,328)	(3,328)	(515)	(2,813)	-
Total other financing sources (uses)	<u>-</u>	<u>(3,328)</u>	<u>(3,328)</u>	<u>475,202</u>	<u>472,904</u>	<u>-</u>
Net change in fund balances	(54,733)	(343,853)	(289,120)	1,010,828	1,349,055	(154,310)
FUND BALANCES, beginning of year	<u>2,040,846</u>	<u>2,040,846</u>	<u>-</u>	<u>2,040,846</u>	<u>-</u>	<u>3,051,672</u>
FUND BALANCES, end of year	\$ 1,986,113	\$ 1,696,993	\$ (289,120)	\$ 3,051,674	\$ 1,349,055	\$ 2,897,362

See Independent Auditor's Report.

City of Oneonta, New York

Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Miscellaneous Special Revenue Fund

	Year Ended December 31, 2023				
	Adopted Budget	Modified Budget	Difference Adopted vs. Modified Positive (Negative)	Actual	Variance With Actual vs. Modified Positive (Negative)
					2024 Adopted Budget
REVENUES					
Use of money and property	\$ 7,000	\$ 7,000	\$ -	\$ 85,206	\$ 42,000
Sales of property and compensation for loss	-	-	-	181,147	-
Miscellaneous local sources	14,000	14,000	-	25,790	10,925
State aid	-	-	-	15,265	-
Total revenues	21,000	21,000	-	307,408	52,925
EXPENDITURES					
Culture and recreation	45,733	76,663	(30,930)	27,845	54,325
Home and community services	-	153,857	(153,857)	121,461	75,000
Total expenditures	45,733	230,520	(184,787)	149,306	129,325
Excess (deficiency) of revenues over expenditures	(24,733)	(209,520)	184,787	158,102	(76,400)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	424,390	-
Operating transfers out	-	(3,328)	(3,328)	-	(3,328)
Total other financing sources (uses)	-	(3,328)	(3,328)	424,390	421,062
Net change in fund balance	(24,733)	(212,848)	(188,115)	582,492	(76,400)
FUND BALANCE, beginning of year	239,594	239,594	-	239,594	822,086
FUND BALANCE, end of year	\$ 214,861	\$ 26,746	\$ (188,115)	\$ 822,086	\$ 745,686

See Independent Auditor's Report.

City of Oneonta, New York

Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund

	Year Ended December 31, 2023				Variance With Actual vs. Modified Positive (Negative)	2024 Adopted Budget
	Difference		Actual			
	Adopted vs. Modified Positive (Negative)	Actual	Modified Budget	Actual		
REVENUES						
Departmental income	\$ 2,089,000	\$ 2,089,000	\$ -	\$ 2,217,081	\$ 128,081	\$ 2,325,000
Intergovernmental charges	332,000	332,000	-	271,480	(60,520)	330,000
Use of money and property	2,000	2,000	-	50,646	48,646	10,000
Sale of property and compensation for loss	100,000	100,000	-	132,224	32,224	110,000
Federal aid	-	-	-	27,040	27,040	-
Total revenues	<u>2,523,000</u>	<u>2,523,000</u>	<u>-</u>	<u>2,698,471</u>	<u>175,471</u>	<u>2,775,000</u>
EXPENDITURES						
General government support	152,504	107,730	44,774	52,231	55,499	162,370
Sewer administration	340,564	336,553	4,011	320,318	16,235	320,925
Sanitary sewers	161,265	243,288	(82,023)	158,019	85,269	233,015
Wastewater treatment	1,128,717	1,196,234	(67,517)	1,045,931	150,303	1,379,500
Benefits	103,000	103,250	(250)	77,506	25,744	87,600
Debt service, principal	581,496	581,496	-	581,495	1	591,043
Debt service, interest	85,454	85,454	-	85,448	6	78,547
Total expenditures	<u>2,553,000</u>	<u>2,654,005</u>	<u>(101,005)</u>	<u>2,320,948</u>	<u>333,057</u>	<u>2,853,000</u>
Excess (deficiency) of revenues over expenditures	(30,000)	(131,005)	(101,005)	377,523	508,528	(78,000)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	51,328	51,328	-
Operating transfers out	-	-	-	(515)	515	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,813</u>	<u>51,843</u>	<u>-</u>
Net change in fund balance	(30,000)	(131,005)	(101,005)	428,336	560,371	(78,000)
FUND BALANCE, beginning of year	1,801,252	1,801,252	-	1,801,252	-	2,229,588
FUND BALANCE, end of year	\$ 1,771,252	\$ 1,670,247	\$ (101,005)	\$ 2,229,588	\$ 560,371	\$ 2,151,588

See Independent Auditor's Report.

FORM OF BOND COUNSEL’S OPINION

November 14, 2024

City of Oneonta
County of Otsego
State of New York

Re: City of Oneonta, Otsego County, New York
\$6,000,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$6,000,000 Bond Anticipation Notes, 2024 (the "Obligations"), of the City of Oneonta, County of Otsego, State of New York (the "Obligor"), dated November 14, 2024, in the denomination of \$_____, bearing interest at the rate of _____% per annum, payable at maturity, and maturing November 14, 2025.

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 Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations, including the form of the Obligations. 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 Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon subject to applicable statutory limitations; provided however that, the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State of 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 Obligations; 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 Obligations 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 Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate 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 Obligations.

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 Obligations) 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 Obligations 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 Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations 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 Obligations 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 Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment 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 the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, 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,

Orrick, Herrington & Sutcliffe LLP