

**CITY OF ONEIDA,
NEW YORK**

*Basic Financial Statements, Required
Supplementary Information and Supplementary
Information for the Year Ended December 31, 2024
and Independent Auditors' Reports*

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Common Council of
the City of Oneida, New York:

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit (except as discussed below), and the aggregate remaining fund information of the City of Oneida, New York (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Unmodified Opinions on Governmental Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of the City, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adverse Opinion on the Discretely Presented Component Unit

In our opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of our report, the primary government financial statements do not present fairly the financial position of the discretely presented component unit, Oneida Public Library (the "Library"), as of December 31, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the City has issued separate reporting entity financial statements, for which we have issued our report dated February 5, 2026.

Basis for Adverse and Unmodified 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* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

The financial statements include only the primary government of the City, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government.

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 issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAS 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 GAS, 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 the Management’s Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, as listed in the table of contents, 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 February 5, 2026 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 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.

Drescher & Malecki LLP

February 5, 2026

CITY OF ONEIDA, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2024

As management of the City of Oneida, New York (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City’s financial statements, which follow this narrative. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation.

Financial Highlights

- The assets and the deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,401,133 (*net position*). This consists of \$34,609,560 net investment in capital assets, \$2,463,643 restricted for specific purposes, offset by an unrestricted net position of \$(33,672,070).
- The City’s total net position increased by \$7,523,285 during the year ended December 31, 2024.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$(19,968,421), an increase of \$3,904,215 in comparison with the prior year’s fund balance of \$(23,872,636).
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$3,894,013 or approximately 24.5 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the City’s discretion and constitutes approximately 76.5 percent of the General Fund’s total fund balance of \$5,088,083.
- During the year ended December 31, 2024, the City’s total serial bonds outstanding decreased \$1,239,134 as the result of scheduled principal payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City’s assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are

reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of 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, health, transportation, culture and recreation, home and community services and interest and other fiscal charges. The City does not engage in any business-type activities.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Water Fund, Sewer Fund and Capital Projects Fund, which are presented as major funds. Data from the other three funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 19-43 of this report.

Other information—In addition to the basic financial statements and the accompanying notes, this report also presents *Required Supplementary Information* concerning the City's net pension liability/(asset), the City's progress in funding its obligation to provide postemployment benefits ("OPEB") to its employees, and the City's budgetary comparison for each major fund with a legally adopted budget. Required

Supplementary Information and related notes to the Required Supplementary Information can be found on pages 44-52 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,401,133 at the close of the most recent fiscal year, as compared to \$(4,122,152) at the close of the fiscal year ended December 31, 2023.

Table 1, shown below, presents condensed statements of net position as of December 31, 2024 and December 31, 2023.

Table 1—Condensed Statements of Net Position

	Governmental Activities	
	December 31,	
	2024	2023
Current assets	\$ 34,688,032	\$ 24,967,384
Noncurrent assets	92,603,906	89,875,005
Total assets	<u>127,291,938</u>	<u>114,842,389</u>
Deferred outflows of resources	<u>13,604,448</u>	<u>15,115,229</u>
Current liabilities	55,536,874	51,430,501
Noncurrent liabilities	<u>67,607,270</u>	<u>68,986,584</u>
Total liabilities	<u>123,144,144</u>	<u>120,417,085</u>
Deferred inflows of resources	<u>14,351,099</u>	<u>13,662,685</u>
Net position:		
Net investment in capital assets	34,609,560	20,763,383
Restricted	2,463,643	8,165,218
Unrestricted	<u>(33,672,070)</u>	<u>(33,050,753)</u>
Total net position	<u>\$ 3,401,133</u>	<u>\$ (4,122,152)</u>

The largest portion of the City’s net position, \$34,609,560, reflects its investment in capital assets (such as land, buildings, machinery and equipment, and infrastructure and right-to-use assets); net of accumulated depreciation/amortization and less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position, \$2,463,643, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The remaining balance of net position, \$(33,672,070), is considered to be an unrestricted deficit. This deficit does not mean that the City does not have the resources available to meet its obligations in the ensuing year. Rather, it

reflects liabilities not related to the City’s capital assets and are not expected to be repaid from current resources. These long-term liabilities include OPEB obligations, serial bonds, and the net pension liability.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2024 and December 31, 2023.

Table 2—Condensed Statements of Changes in Net Position

	<u>Governmental Activities</u>	
	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Program revenues:		
Charges for services	\$ 12,039,413	\$ 9,307,494
Operating grants and contributions	723,903	-
Capital grants and contributions	2,987,686	98,762
General revenues	<u>16,618,698</u>	<u>16,877,639</u>
Total revenues	<u>32,369,700</u>	<u>26,283,895</u>
Program expenses	<u>24,846,415</u>	<u>23,491,043</u>
Change in net position	7,523,285	2,792,852
Net position—beginning	<u>(4,122,152)</u>	<u>(6,915,004)</u>
Net position—ending	<u>\$ 3,401,133</u>	<u>\$ (4,122,152)</u>

Overall revenues increased 23.2 percent from the prior year. The increase was primarily the result of increases in capital grants and contributions related to grants for ongoing development of regional impact projects. Total expenses increased 5.8 percent from the prior year, which is primarily attributable to an increase in allocable employee benefits relating to other post-employment benefits and the net pension liability.

A summary of sources of revenues for the years ended December 31, 2024 and December 31, 2023 is presented in Table 3 below:

Table 3—Summary of Sources of Revenues – Governmental Activities

	<u>Year Ended March 31,</u>		<u>Increase/(Decrease)</u>	
	<u>2024</u>	<u>2023</u>	<u>Dollar (\$)</u>	<u>Percent (%)</u>
Program revenues:				
Charges for services	\$ 12,039,413	\$ 9,307,494	\$ 2,731,919	29.4
Operating grants and contributions	723,903	-	723,903	100.0
Capital grants and contributions	2,987,686	98,762	2,888,924	2,925.1
General revenues:				
Real property taxes and other tax items	5,485,093	5,032,903	452,190	9.0
Nonproperty tax items	7,067,121	7,242,096	(174,975)	(2.4)
Sale of property and compensation for loss	398,893	478,285	(79,392)	(16.6)
Miscellaneous	1,852,278	1,133,603	718,675	63.4
State aid—unrestricted	<u>1,815,313</u>	<u>2,990,752</u>	<u>(1,175,439)</u>	<u>(39.3)</u>
Total revenues	<u>\$ 32,369,700</u>	<u>\$ 26,283,895</u>	<u>\$ 6,085,805</u>	<u>23.2</u>

The City’s most significant sources of revenues for the year ended December 31, 2024 were charges for services of \$12,039,413, or 37.2 percent of total revenues, nonproperty tax items of \$7,067,121, or 21.8 percent of total revenues, and real property taxes and other tax items of \$5,485,093, or 17.0 percent of total revenues. For the year ended December 31, 2023 the most significant sources of revenues were charges for services of \$9,307,494, or 35.4 percent of total revenues, nonproperty tax items of \$7,242,096, or 27.6 percent of total revenues, and real property taxes and other tax items of \$5,032,903, or 19.2 percent of total revenues.

A summary of program expenses for the years ended December 31, 2024 and December 31, 2023 is presented below in Table 4.

Table 4 – Summary of Program Expenses – Governmental Activities

	Year Ended March 31,		Increase/(Decrease)	
	2024	2023	Dollars (\$)	Percent (%)
General government support	\$ 3,120,645	\$ 4,476,584	\$ (1,355,939)	(30.3)
Public safety	9,280,309	8,141,894	1,138,415	14.0
Health	33,662	63,421	(29,759)	(46.9)
Transportation	2,189,483	2,252,303	(62,820)	(2.8)
Culture and recreation	662,855	460,256	202,599	44.0
Home and community services	7,416,089	6,087,317	1,328,772	21.8
Interest and other fiscal charges	2,143,372	2,009,268	134,104	6.7
Total expenses	<u>\$ 24,846,415</u>	<u>\$ 23,491,043</u>	<u>\$ 1,355,372</u>	5.8

The City’s most significant expenses for the year ended December 31, 2024 were public safety of \$9,280,309, or 37.3 percent of total expenses, home and community services of \$7,416,089, or 29.8 percent of total expenses, and general government support of \$3,120,645, or 12.6 percent of total expenses. For the year ended December 31, 2023 the most significant expenses were interest and other fiscal charges of \$7,258,680, or 30.9 percent of total expenses, home and community services of \$6,087,317, or 25.9 percent of total expenses, and general government support of \$1,851,878, or 7.9 percent of total expenses.

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to a specific use* in special revenue funds may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Common Council.

At December 31, 2024, the City’s governmental funds reported combined ending fund balances of \$(19,968,421), an increase of \$3,904,215 in comparison with the prior year. Excluding the Capital Projects Fund, the City’s unassigned fund balance is \$3,894,013 which is available for spending at the City’s discretion. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form, \$955,269, 2) restricted for particular purposes, \$2,463,643, or 3) assigned for particular purposes, \$9,227,562.

The General Fund is the chief operating fund of the City. At December 31, 2024, the *unassigned fund balance* of the General Fund was \$3,894,013, while the total fund balance increased to \$5,088,083. As a measure of the General Fund’s liquidity, it may be useful to compare both the *unassigned fund balance* and total fund balances to total fund expenditures and transfers out. *Unassigned fund balance* represents approximately 24.5 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 32.0 percent of that same amount. The total fund balance of the General Fund increased by \$33,073 during the current fiscal year, which favorably compares to the planned use of \$579,694 of fund balance included with the original budget.

The City’s Water Fund ending fund balance was \$6,240,459. Approximately 77.4 percent, \$4,829,743, of this amount is reported as fund balance assigned for specific Water Fund use. The fund balance of the Water Fund increased by \$1,269,115 during the year ended December 31, 2024 due to an increase in interest earnings and savings realized within home and community services.

The City’s Sewer Fund ending fund balance was \$4,683,163. Approximately 79.2 percent, \$3,709,341, of this amount is reported as fund balance assigned for specific Sewer Fund use. The fund balance of the Sewer Fund increased by \$2,076,217 during the year ended December 31, 2024 due to an increase in departmental income related to sewer rents.

The City’s Capital Projects Fund ending fund balance deficit was \$36,508,908 at December 31, 2024. During the year ended December 31, 2024, the fund balance increased \$505,358 primarily due to an increase in state aid. The deficit will be eliminated as resources are obtained to make the scheduled debt service principal and interest payments on the BANs or retire the BANs.

General Fund Budgetary Highlights

The City’s General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the City has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2024 is presented below in Table 5.

Table 5—General Fund Budget

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other financing sources	\$ 15,531,055	\$ 15,535,108	\$ 15,916,095	\$ 380,987
Expenditures and other financing uses	<u>16,110,749</u>	<u>16,418,909</u>	<u>15,883,022</u>	<u>535,887</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (579,694)	\$ (883,801)	\$ 33,073	\$ 916,874

Original budget compared to final budget—During the year, there was a \$304,107 net increase between the original and final amended budget within the General Fund. This increase was primarily due to an increase in appropriations related to public safety and general government support.

Final budget compared to actual results—A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yields a variance in General Fund expenditures and transfers out of \$535,887 and a variance in General Fund revenues and other financing sources of \$380,987. The following are the main components of the variances:

- Public safety were \$151,362 less than the final budget primarily due to savings within salaries and overtime costs.
- General government support were \$147,546 less than the final budget due to less than budgeted transfers to capital.
- State aid was \$140,657 more than the final budget due to larger than expected reimbursements.
- Federal aid was \$101,870 more than the final budget due to the recognition of additional ARPA funding.

Capital Assets and Debt Administration

Capital assets—The City’s investment in capital assets for its governmental activities as of December 31, 2024, amounted to \$92,603,906 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, infrastructure, and right-to-use assets. All depreciable capital assets were depreciated/amortized by taking their historical cost, less any residual value, and dividing by the estimated life. One half of the annual depreciation/amortization is expensed in the year of acquisition, regardless of the actual purchase date, as outlined in the City’s capital asset policy.

Capital assets, net of accumulated depreciation/amortization, for the governmental activities, at the years ended December 31, 2024 and 2023 are presented below in Table 6.

Table 6—Summary Capital Assets (Net of Accumulated Depreciation/Amortization)

	Governmental Activities	
	December 31,	
	2024	2023
Land	\$ 2,908,801	\$ 2,915,301
Construction in progress	56,628,025	52,976,585
Buildings and improvements	12,990,600	14,372,821
Machinery and equipment	5,658,032	4,945,337
Infrastructure	14,011,711	13,948,885
Right-to-use assets	406,737	716,076
Total	<u>\$ 92,603,906</u>	<u>\$ 89,875,005</u>

Additional information on the City’s capital assets can be found in Note 4 to the financial statements.

Long-term liabilities—At December 31, 2024, the City had total long-term liabilities outstanding of \$67,607,270, as compared to \$70,546,145 at December 31, 2023. Of the total long-term debt outstanding at December 31, 2024, \$20,252,020 represents serial bonds issued by the City. A summary of the City’s long-term outstanding liabilities is presented in Table 7 on the following page.

Table 7—Summary of Long-Term Liabilities

	<u>Governmental Activities</u>	
	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Serial bonds	\$ 20,252,020	\$ 21,491,154
Compensated absences	4,209,720	3,832,633
Lease liability	396,416	676,464
Subscription liability	2,694	30,104
OPEB obligation	35,151,295	35,234,223
Net pension liability	<u>7,595,125</u>	<u>9,281,567</u>
Total	<u>\$ 67,607,270</u>	<u>\$ 70,546,145</u>

The City’s most recent bond rating from Moody’s is A2. Additional information on the City’s long-term debt can be found in Note 11 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered in preparing the City’s budget for the year ending December 31, 2025, there are many other factors outside the City’s control that exert significant influence on the budget. Some of these factors are as follows:

- The unemployment rate (not seasonally adjusted) for the County of Madison, which encompasses the City, was 3.6 percent at December 31, 2024. This rate is lower than New York State’s rate of 4.4 and the national rate of 3.8 percent.
- During the City’s budget process for the 2025 fiscal year, the City’s General Fund appropriated a total of \$388,478 of fund balance. This amount is reported as assigned to subsequent year’s expenditures as of December 31, 2024.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Comptroller’s Office, Oneida City Hall, 109N. Main Street, Oneida, New York 13421.

BASIC FINANCIAL STATEMENTS

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CITY OF ONEIDA, NEW YORK
Statement of Net Position
December 31, 2024

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,612,532
Restricted cash and cash equivalents	22,267,426
Receivables (net of allowance for uncollectibles)	2,340,636
Loans receivable	61,357
Intergovernmental receivables	450,812
Prepaid items	955,269
Capital assets not being depreciated	59,536,826
Capital assets, net of accumulated depreciation	33,067,080
Total assets	127,291,938
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pensions	6,847,570
Deferred outflows—relating to OPEB	6,756,878
Total deferred outflows of resources	13,604,448
LIABILITIES	
Accounts payable	1,048,889
Accrued liabilities	2,226,229
Unearned revenue	108,158
Bond anticipation notes	52,153,598
Noncurrent liabilities:	
Due within one year	1,665,006
Due within more than one year	65,942,264
Total liabilities	123,144,144
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pensions	2,948,296
Deferred inflows—relating to leases	61,059
Deferred inflows—relating to OPEB	11,341,754
Total deferred inflows of resources	14,351,109
NET POSITION	
Net investment in capital assets	34,609,560
Restricted for:	
Public safety	206,057
Retirement	28,062
Capital projects	1,436,253
Debt	543,552
Community development	249,719
Unrestricted	(33,672,070)
Total net position	\$ 3,401,133

The notes to the financial statements are an integral part of this statement.

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

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and Changes</u> <u>in Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Primary</u> <u>Government</u> <u>Governmental</u> <u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$ 3,120,645	\$ 157,156	\$ 356,291	\$ -	\$ (2,607,198)
Public safety	9,280,309	137,234	311,112	-	(8,831,963)
Health	33,662	-	4,844	-	(28,818)
Transportation	2,189,483	33,046	51,656	987,686	(1,117,095)
Culture and recreation	662,855	77,823	-	-	(585,032)
Home and community services	7,416,089	11,634,154	-	2,000,000	6,218,065
Interest and other fiscal charges	2,143,372	-	-	-	(2,143,372)
Total primary government	<u>\$ 24,846,415</u>	<u>\$ 12,039,413</u>	<u>\$ 723,903</u>	<u>\$ 2,987,686</u>	<u>(9,095,413)</u>
		General revenues:			
		Real property taxes and other tax items		5,485,093	
		Nonproperty tax items		7,067,121	
		Use of money and property		769,646	
		Sale of property and compensation for loss		398,893	
		Miscellaneous		1,082,632	
		State aid—unrestricted		1,815,313	
		Total general revenues		<u>16,618,698</u>	
		Change in net position		7,523,285	
		Net position—beginning		<u>(4,122,152)</u>	
		Net position—ending		<u>\$ 3,401,133</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF ONEIDA, NEW YORK
Balance Sheet-Governmental Funds
December 31, 2024

	<u>General</u>	<u>Special Revenue</u>		<u>Capital</u>	<u>Total</u>	<u>Total</u>
		<u>Water</u>	<u>Sewer</u>	<u>Projects</u>	<u>Nonmajor</u>	<u>Governmental</u>
					<u>Funds</u>	<u>Funds</u>
ASSETS						
Cash and cash equivalents	\$ 747,735	\$ 4,045,126	\$ 3,819,671	\$ -	\$ -	\$ 8,612,532
Restricted cash and cash equivalents	184,354	1,195,510	581,315	19,687,113	619,134	22,267,426
Receivables:						
Accounts (net of allowance for uncollectibles)	1,222,021	256,553	780,221	-	81,841	2,340,636
Leases	61,357	-	-	-	-	61,357
Due from other funds	3,489,620	616,144	309,275	806,491	-	5,221,530
Intergovernmental receivables	422,695	-	-	27,817	300	450,812
Prepaid items	647,556	215,206	92,507	-	-	955,269
Total assets	<u>\$ 6,775,338</u>	<u>\$ 6,328,539</u>	<u>\$ 5,582,989</u>	<u>\$ 20,521,421</u>	<u>\$ 701,275</u>	<u>\$ 39,909,562</u>
LIABILITIES						
Accounts payable	\$ 402,139	\$ 28,986	\$ 65,419	\$ 530,831	\$ 21,514	\$ 1,048,889
Accrued liabilities	310,899	59,094	31,207	-	-	401,200
Due to other funds	3,291	-	803,200	4,345,900	69,139	5,221,530
Unearned revenue	26,318	-	-	-	81,840	108,158
Bond anticipation notes	-	-	-	52,153,598	-	52,153,598
Total liabilities	<u>742,647</u>	<u>88,080</u>	<u>899,826</u>	<u>57,030,329</u>	<u>172,493</u>	<u>58,933,375</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows—relating to leases	61,059	-	-	-	-	61,059
Deferred inflows—relating to real property taxes	883,549	-	-	-	-	883,549
Total deferred inflows of resources	<u>944,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>944,608</u>
FUND BALANCES (DEFICITS)						
Nonspendable	647,556	215,206	92,507	-	-	955,269
Restricted	158,036	1,195,510	581,315	-	528,782	2,463,643
Assigned	388,478	4,829,743	4,009,341	-	-	9,227,562
Unassigned	3,894,013	-	-	(36,508,908)	-	(32,614,895)
Total fund balances (deficits)	<u>5,088,083</u>	<u>6,240,459</u>	<u>4,683,163</u>	<u>(36,508,908)</u>	<u>528,782</u>	<u>(19,968,421)</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,775,338</u>	<u>\$ 6,328,539</u>	<u>\$ 5,582,989</u>	<u>\$ 20,521,421</u>	<u>\$ 701,275</u>	<u>\$ 39,909,562</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ONEIDA, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2024

Amounts reported for governmental activities in the statement of net position (page 13) are different because:

Total fund balances (deficits)—governmental funds (page 15)	\$	(19,968,421)
Capital assets, right-to-use leases and subscriptions used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$176,808,115 and the accumulated depreciation/amortization is \$84,204,209.		92,603,906
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 1,332,331	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	5,515,239	
Deferred inflows of resources related to pensions	<u>(2,948,296)</u>	3,899,274
Deferred outflows and inflows of resources related to other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows of resources related to OPEB	\$ 6,756,878	
Deferred inflows of resources related to OPEB	<u>(11,341,754)</u>	(4,584,876)
Revenue related to the tax levy is recognized when earned in the statement of activities, but deferred in the fund statements if collection is anticipated to exceed sixty days after year end.		883,549
Net accrued interest expense for serial bonds is not reported in the fund statements.		(1,825,029)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (20,252,020)	
Compensated absences	(4,209,720)	
Lease liabilities	(396,416)	
Subscription liabilities	(2,694)	
OPEB obligation	(35,151,295)	
Net pension liability	<u>(7,595,125)</u>	<u>(67,607,270)</u>
Net position of governmental activities	\$	<u>3,401,133</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ONEIDA, NEW YORK
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficits)—Governmental Funds
Year Ended December 31, 2024

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Water</u>	<u>Sewer</u>			
REVENUES						
Real property taxes	\$ 5,298,041	\$ -	\$ -	\$ -	\$ 33,998	\$ 5,332,039
Other tax items	153,054	-	-	-	-	153,054
Non-property tax items	7,066,963	-	-	-	158	7,067,121
Departmental income	224,221	4,031,188	7,602,966	-	35,265	11,893,640
Intergovernmental charges	21,076	-	-	13,806	-	34,882
Use of money and property	85,126	617,891	60,363	-	6,266	769,646
Licenses and permits	47,793	-	-	-	-	47,793
Fines and forfeitures	53,588	-	-	-	9,510	63,098
Sale of property and compensation for loss	157,342	229,509	12,042	-	-	398,893
Miscellaneous	175,602	127	76,232	578,905	251,766	1,082,632
State aid	2,234,263	-	-	2,987,686	1,900	5,223,849
Federal aid	106,370	-	-	196,683	-	303,053
Total revenues	<u>15,623,439</u>	<u>4,878,715</u>	<u>7,751,603</u>	<u>3,777,080</u>	<u>338,863</u>	<u>32,369,700</u>
EXPENDITURES						
Current:						
General government support	1,751,341	-	-	-	86,771	1,838,112
Public safety	5,556,887	-	-	-	7,522	5,564,409
Health	23,097	-	-	-	-	23,097
Transportation	1,502,287	-	-	-	-	1,502,287
Culture and recreation	454,810	-	-	-	-	454,810
Home and community service	359,531	2,462,468	1,914,735	-	32,702	4,769,436
Employee benefits	5,398,324	618,508	351,523	-	-	6,368,355
Debt service:						
Principal	694,713	403,182	371,100	-	110,000	1,578,995
Interest	108,481	186,275	1,898,444	-	81,416	2,274,616
Capital outlay	-	-	-	4,123,771	-	4,123,771
Total expenditures	<u>15,849,471</u>	<u>3,670,433</u>	<u>4,535,802</u>	<u>4,123,771</u>	<u>318,411</u>	<u>28,497,888</u>
Excess (deficiency) of revenues over expenditures	<u>(226,032)</u>	<u>1,208,282</u>	<u>3,215,801</u>	<u>(346,691)</u>	<u>20,452</u>	<u>3,871,812</u>
OTHER FINANCING SOURCES (USES)						
Leases and subscriptions issued	32,403	-	-	-	-	32,403
Transfers in	260,253	205,116	-	959,925	-	1,425,294
Transfers out	(33,551)	(144,283)	(1,139,584)	(107,876)	-	(1,425,294)
Total other financing sources (uses)	<u>259,105</u>	<u>60,833</u>	<u>(1,139,584)</u>	<u>852,049</u>	<u>-</u>	<u>32,403</u>
Net change in fund balances	33,073	1,269,115	2,076,217	505,358	20,452	3,904,215
Fund balances (deficits)—beginning	<u>5,055,010</u>	<u>4,971,344</u>	<u>2,606,946</u>	<u>(37,014,266)</u>	<u>508,330</u>	<u>(23,872,636)</u>
Fund balances (deficits)—ending	<u>\$ 5,088,083</u>	<u>\$ 6,240,459</u>	<u>\$ 4,683,163</u>	<u>\$ (36,508,908)</u>	<u>\$ 528,782</u>	<u>\$ (19,968,421)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ONEIDA, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2024

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances (deficit)—total governmental funds (page 17) \$ 3,904,215

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital asset additions	\$ 6,016,322	
Depreciation/amortization expense	<u>(3,287,421)</u>	2,728,901

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

Direct pension contributions	\$ 629,380	
Cost of benefits earned net of employee contributions	<u>(1,680,007)</u>	(1,050,627)

Deferred outflows and deferred inflows relating to OPEB result for actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.

Changes of assumptions	\$ (6,636,526)	
Differences between expected and actual experience	<u>7,170,408</u>	533,882

Property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.

23,237

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.

131,244

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$ 1,239,134	
Change in compensated absences	(377,087)	
Subscriptions issued	(17,957)	
Subscription payments	45,367	
Leases issued	(14,446)	
Lease payments	294,494	
Change in OPEB obligation	<u>82,928</u>	<u>1,252,433</u>

Change in net position of governmental activities \$ 7,523,285

The notes to the financial statements are an integral part of this statement.

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CITY OF ONEIDA, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of financial statements of the City of Oneida, New York (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The City reports no business-type activities or component units.

Financial Reporting Entity

The City, which was incorporated in 1901, is governed by the Charter of the City of Oneida, the General City Law and other laws of the State of New York and various local laws and ordinances. The Common Council, which is the legislative body responsible for the overall operation of the City, consists of the Mayor and six Councilors. The Mayor serves as chief executive officer and the Comptroller serves as chief fiscal officer of the City.

The City provides the following basic services: police and law enforcement, fire protection, street maintenance, culture and recreation, sanitation, water facilities and community development.

All governmental activities and functions performed for the City are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

Related Organization—Although the following organization, function or activity is related to the City, they are not included in the City reporting entity.

Oneida City School District – Oneida City School District was created by State legislation which designates the school board as the governing authority. School board members are elected by the qualified voters of the district. The board designates management and exercises complete responsibility for all fiscal matters. The City exercises no oversight over school operations.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and even though the latter is excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the City’s various functions.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The City reports the following major governmental funds:

- *General Fund*—This fund constitutes the primary operating fund of the City and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is sales tax.
- *Water Fund*—This fund is used to record all revenues and expenditures related to operation and maintenance of the City's water system. The principal source of revenue for the Water Fund is departmental income.
- *Sewer Fund*—This fund is used to record all revenues and expenditures related to operation and maintenance of the City's sewer system. The principal source of revenue for the Sewer Fund is departmental income.
- *Capital Projects Fund*—This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The principal source of revenue for the Capital Projects Fund are federal and state grants, debt proceeds, and transfers from the City's operating funds.

The Village also reports the following nonmajor governmental funds:

- *Community Development Fund*—This fund is used to record all revenues and expenditures related to various development activities within the City. The principal source of revenue for the Community Development Fund is departmental income.
- *Debt Service Library Fund* - The Debt Service Library Fund is used to account for debt service payments made by the City and joint obligors which relate to the construction of the library. The City holds the bond proceeds for the construction as the Library is without authority to issue general obligation debt in its own name as well as debt service payments from the joint obligors.
- *Police & Fire Special Revenue Fund* - The Police & Fire Special Revenue Fund is a special revenue fund used to account for the revenues of drug forfeiture assets and equitable sharing funds from federal cases that are legally restricted to be used for law enforcement purposes. It also is used for Continuing Medical Education (CME) training reimbursements that are restricted for CME equipment purchases.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits, claims and judgments, and pensions, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, charges for services and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the City.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents—Cash and cash equivalents include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days of the City’s fiscal year end.

Restricted Cash and Cash Equivalents—Restricted Cash and Cash Equivalents include amounts restricted for future debt payments, amounts restricted for capital projects and cash to fund grant related programs.

Investments—Permissible investments include obligations of the U.S. Treasury and U.S. agencies and repurchase agreements. There were no investments at December 31, 2024; however, it is the City’s policy to state investments at fair value, when applicable.

Receivables—Receivables are recorded and revenues are recognized as earned. Allowances are recorded when appropriate.

Prepaid Items—Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets—Capital assets, which include land, land improvements, buildings, machinery and equipment, infrastructure (e.g. roads, bridges, drainage systems and similar items), and right-to-use assets are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Right-to-use lease assets were initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight-line basis over their useful lives.

Land and construction in progress are not depreciated. The other capital assets of the City are depreciated/amortized using the straight line method over the estimated useful lives presented below:

Assets	Years
Buildings and Improvements	40
Machinery and equipment	3-15
Infrastructure:	40

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in other funds are included in the appropriate functional category (i.e. purchase of new highway equipment as part of *expenditures–transportation*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (i.e. furnishings).

Unearned Revenues—Certain revenues have not met the revenue recognition criteria for financial statement purposes. At December 31, 2024, the City reported \$26,318 and \$81,840 of unearned revenue in the General Fund and nonmajor funds, respectively, for unspent American Rescue Plan Act funds and other grants received in advance but the City has not performed the services.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2024, the City has two items that qualify for reporting in this category that are reported in the government-wide financial statements. The first item represents the effect of the net change in the City’s proportion of the collective net pension liability, and the difference during the measurement period between the City’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense and any contributions made to the pension systems subsequent to the measurement date. The second item represents the effects of the change in the City’s proportion of the collective OPEB liability and difference during the measurement period between certain employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2024, the City has four items that qualify

for reporting in this category. These items are reported in the government-wide financial statements. The first item represents the net change in the City's proportion of the collective net pension liability and the difference during the measurement periods between the City's contribution and its proportionate share of the total contributions to the pension system not included in the pension expense. The second item represents the effects of the change in the City's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The third item, reported on the government-wide statements and on the balance sheet of governmental funds, is recognized at the commencement of the Village's lease receivable and amortized over the life of the lease.

Net Position Flow Assumption—Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amount to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund Balance Flow Assumptions—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balances. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification included amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The Common Council is the highest level of decision-making authority for the City that can, by resolution approved prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Common Council has by resolution authorized the Mayor to assign fund balance. The Common Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as 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, 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—Madison County prepares the levy, tax rolls and billings for the City of Oneida real property taxes. On December 1st of each year, or upon receipt of the tax warrant, property taxes become a lien on the property.

Tax payments are due within 30 days of delivery of the tax warrant without penalty; a 1% penalty is added for taxes paid the next fifteen days; 2% for the next 15 days; 6% for the next 15 days; 8% for the next 15 days and 10% thereafter. The City enforces all liens.

The Madison County Legislature prepares its levy in late December of each year and the taxes are mailed January 1 and become due January 31. The tax roll is returned to the Madison County Commissioner of Finance on April 1, at which time all unpaid taxes and penalties are payable to that office. The City has no further liability for collection of County taxes.

The City also collects property taxes for Madison County and various school districts within the City's limits. School taxes are levied on October 1 each year and become due on October 31. The County of Madison assumes full enforcement responsibility for taxes levied by the Oneida City School District on properties within the City.

Compensated Absences—Most City employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacations and compensatory absences must be used by the end of the fiscal year in which they are earned. Employees may accumulate sick leave, but they are not entitled to receive payment for unused sick leave in the event of termination or upon retirement.

Payment of compensated absences recorded in the government-wide financial statements is dependent on many factors; therefore, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payment of compensated absences when such payments become due.

Pensions—The City is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS") and the New York State Police and Fire Retirement System ("PFRS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other Postemployment Benefits—In addition to providing pension benefits, the City provides postemployment health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 7.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States required management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expense/expenditures during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended March 31, 2024, the City implemented the remainder of GASB Statement No. 99, *Omnibus 2022*; GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 99 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. GASB Statement No. 100 improves financial reporting by enhancing accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB Statement No. 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statements No. 99, 100, and 101 did not have a material impact on the City’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The City has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025; and No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026 and No. 105, *Subsequent Events*, effective for the year ending December 31, 2027. The City is, therefore, unable to disclose the impact that adopting GASB Statements No. 102, 103, 104 and 105 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The City follows these procedures in establishing most of the budgetary data reflected in the financial statements:

- During September each year, department heads submit their tentative departmental budgets to the Common Council for the fiscal year commencing the following January 1. The Common Council has the power to reduce any estimate submitted to them.
- After public hearings are conducted to obtain taxpayer comments, the Common Council adopts the budget no later than the first Tuesday of December each year. Notices of the original estimates along with revisions are made publicly available by October 30 of each year.
- Formal annual budgetary accounts are adopted and employed for control of the General, Water and Library Funds detailed to the department level. These budgets are adopted on a basis consistent with generally accepted accounting principles accepted in the United States of America. A form of encumbrance accounting is employed as an extension of budgetary control in all governmental funds, under which certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year’s original budget.
- Capital Projects Fund and Community Development Fund appropriations are not included in the City’s annual budget. Instead appropriations are approved through Common Council resolution at the projects’ inception and lapse upon termination of the project.

Deficit Fund Balances—At December 31, 2024, the Capital Projects Fund, a major governmental fund, has a deficit fund balance of \$36,508,908. The primary reason for this deficit is that the City issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on

the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Since the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs or retire the BANs.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City’s investment policies are governed by New York State statutes. The City may use FDIC-insured commercial banks or trust companies located within the State. The City Chamberlain is authorized to use demand accounts and certificates of deposit. Investments with maturities of less than three months are considered to be cash equivalents.

Collateral is required for demand deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents and restricted cash and cash equivalents at December 31, 2024 are as follows:

	Governmental Activities	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 500	\$ -	\$ 500
Deposits	30,853,558	-	30,853,558
Total	<u>\$ 30,854,058</u>	<u>\$ -</u>	<u>\$ 30,854,058</u>

Deposits—All deposits are carried at fair value and are classified by custodial risk at December 31, 2024 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 750,000	\$ 750,000
Uninsured:		
Collateral held by pledging bank's agent in the City's name	<u>30,750,184</u>	<u>30,103,558</u>
Total deposits	<u>\$ 31,500,184</u>	<u>\$ 30,853,558</u>

Custodial Credit Risk—Deposits—In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. At December 31, 2024, all uninsured bank deposits were fully collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Restricted Cash and Cash Equivalents—The City’s governmental activities report unspent proceeds of debt, amounts to support unearned revenue, and amounts to support restricted fund balances as restricted cash and cash equivalents totaling \$22,267,426.

Investments—The City had no investments at December 31, 2024

Interest Rate Risk—In accordance with its investment policy, the City manages exposure by limiting investments to low risk type investments governed by New York State statute.

3. RECEIVABLES

Revenues accrued by the City at December 31, 2024 consisted of the following:

Accounts Receivable—Accounts receivable and their respective allowance for doubtful accounts, of the City at December 31, 2024 consisted of the following:

General Fund:		
Tax Sale Certificates	\$ 1,087,552	
Allowance for uncollectible taxes	(222,811)	
Property Acquired for Taxes	42,045	
Special Assessments	2,147	
Other	<u>313,088</u>	\$ 1,222,021
Water Fund:		
Water Services	14,472	
Water Rents	242,081	256,553
Sewer Fund:		
Sewer Services	117,455	
Sewer Rents	662,766	780,221
Nonmajor Funds:		
Rehab Loans		<u>81,841</u>
Total governmental funds		<u>\$ 2,340,636</u>

Loans Receivable—Represents outstanding loans made by the City’s Department of Community Development under the Community Development Block Grant (“CDBG”). These loans are made to local businesses for economic development and to local homeowners living in areas of blight for the rehabilitation of their homes. Principal balances outstanding at December 31, 2024 amounted to \$81,841.

Loans receivable are offset by restricted fund balance as they represent funds which are legally or contractually required to be maintained intact. Undisbursed funds associated with CDBG loans are maintained in a separate interest bearing bank account and reported as restricted cash in the Community Development Fund. The restricted cash balance on undisbursed CDBG loans is also offset by restricted fund balance as it represents funds which are subject to externally enforceable legal restrictions.

Lease Receivables—The City leases building space to various third parties. The City will receive monthly payments which coincide with each contracted agreement between the lessor and lessee. As of December 31, 2024, the City’s outstanding receivable for lease payments was \$61,357 within the General Fund. Also, the Village reports a deferred inflow of resources associated with these lease that will be recognized as revenue over the lease term. As of December 31, 2024 the balances of the deferred inflow of resources were \$61,059 within the General Fund.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Madison or other local governments. Intergovernmental receivables at December 31, 2024 are shown below:

Governmental funds:			
General Fund:			
Madison County - Sales tax	365,053		
Arterial Maintenance	25,238		
Police Revenue	5,939		
Other	<u>26,466</u>	\$	422,695
Capital Projects Fund:			
Due from New York State	\$ 2,354		
LISC Revenue	24,386		
Other	<u>1,078</u>		27,817
Nonmajor Funds			
Fire CME Reimbursements	300		<u>300</u>
Total governmental funds		\$	<u><u>450,812</u></u>

4. CAPITAL ASSETS

Capital asset activity for the City’s governmental activities for the year ended December 31, 2024 is as follows:

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
Capital assets, not being depreciated:				
Land	\$ 2,915,301	\$ -	\$ 6,500	\$ 2,908,801
Construction in progress	<u>52,976,585</u>	<u>4,123,771</u>	<u>472,331</u>	<u>56,628,025</u>
Total capital assets, not being depreciated	<u>55,891,886</u>	<u>4,123,771</u>	<u>478,831</u>	<u>59,536,826</u>
Capital assets, being depreciated:				
Buildings and improvements	50,687,280	146,131	-	50,833,411
Machinery and equipment	14,831,778	1,449,041	-	16,280,819
Infrastructure	48,105,105	743,807	-	48,848,912
Right-to-use leases	1,134,345	14,446	-	1,148,791
Right-to-use subscriptions	<u>141,399</u>	<u>17,957</u>	<u>-</u>	<u>159,356</u>
Total capital assets, being depreciated/amortized	<u>114,899,907</u>	<u>2,371,382</u>	<u>-</u>	<u>117,271,289</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(36,314,459)	(1,528,352)	-	(37,842,811)
Machinery and equipment	(9,886,441)	(736,346)	-	(10,622,787)
Infrastructure	(34,156,220)	(680,981)	-	(34,837,201)
Right-to-use leases	(477,771)	(291,872)	-	(769,643)
Right-to-use subscriptions	<u>(81,897)</u>	<u>(49,870)</u>	<u>-</u>	<u>(131,767)</u>
Total accumulated depreciation/amortization	<u>(80,916,788)</u>	<u>(3,287,421)</u>	<u>-</u>	<u>(84,204,209)</u>
Total capital assets, being depreciated/amortized, net	<u>33,983,119</u>	<u>(916,039)</u>	<u>-</u>	<u>33,067,080</u>
Total capital assets, net	<u>\$ 89,875,005</u>	<u>\$ 3,207,732</u>	<u>\$ 478,831</u>	<u>\$ 92,603,906</u>

Depreciation/amortization expense was charged to the functions and programs of the governmental activities as follows:

Governmental activities:	
General government support	\$ 8,543
Public safety	288,675
Culture and recreation	72,348
Home and community services	<u>2,917,855</u>
Total governmental activities	<u>\$3,287,421</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by the City’s governmental funds at December 31, 2024 were as follows:

	General	Water	Sewer	Total Governmental Funds
Salaries and employee benefits	\$ 310,899	\$ 59,094	\$ 31,207	\$ 401,200
Total accrued liabilities	<u>\$ 310,899</u>	<u>\$ 59,094</u>	<u>\$ 31,207</u>	<u>\$ 401,200</u>

6. PENSION PLANS

Plan Descriptions and Benefits Provided

Police and Fire Retirement System (“PFRS”) and Employees’ Retirement System (“ERS”)—The City participates in the PFRS and ERS (the “Systems”). The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. System 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 State statute. The City also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The Systems are included in the State’s financial report as a pension trust fund. That report, including information with regards 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.

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At December 31, 2024, the City reported the following liabilities for its proportionate share of the net pension liabilities for PFRS and ERS. The net pension liabilities were measured as of March 31, 2024. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2024, with update procedures used to roll forward the total net pension liabilities to the measurement date. The City’s proportion of the net pension liabilities were based on projections of the City’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the City.

	<u>PFRS</u>	<u>ERS</u>
Measurement date	March 31, 2024	March 31, 2024
Net pension liability	\$ 5,747,851	\$ 1,847,274
City's portion of the Plan's total net pension liability	0.1211905%	0.0012546%

For the year ended December 31, 2024, the City recognized pension expenses of \$1,950,151 and \$848,198, respectively, for PFRS and ERS. At March 31, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources below:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>
Difference between expected and actual experiences	\$ 1,770,836	\$ 595,006	\$ -	\$ 50,370
Changes of assumptions	2,168,094	698,413	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	1,560,264	902,384
Changes in proportion and differences between the City's contributions and proportionate share of contributions	195,160	87,730	428,929	6,349
City contributions subsequent to the measurement date	<u>934,641</u>	<u>397,690</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,068,731</u>	<u>\$ 1,778,839</u>	<u>\$ 1,989,193</u>	<u>\$ 959,103</u>

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending May 31,</u>	<u>PFRS</u>	<u>ERS</u>
2025	\$ (474,863)	\$ (309,671)
2026	1,656,660	368,474
2027	909,017	551,655
2028	(176,203)	(188,412)
2029	230,286	-

Actuarial Assumptions—The total pension liabilities as of the measurement date were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the actuarial assumptions as presented below:

	PFRS	ERS
Measurement date	March 31, 2024	March 31, 2024
Actuarial valuation date	April 1, 2023	April 1, 2023
Interest rate	5.9%	5.9%
Salary scale	6.2%	4.4%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.9%	2.9%
Cost-of-living adjustments	1.5%	1.5%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2023 valuations are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2024	
Measurement date		
Asset class:		
Domestic equities	32.0 %	4.0 %
International equities	15.0	6.7
Private equity	10.0	7.3
Real estate	9.0	4.6
Opportunistic/absolute return strategies	3.0	5.3
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.3
Total	100 %	

Discount Rate—The discount rate used to calculate the total pension liabilities 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 that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-

term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the City’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the City’s proportionate share of the net pension liability/(asset) 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 assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 13,434,076	\$ 5,747,851	\$ (602,094)
Employer's proportionate share of the net pension liability/(asset)—ERS	5,808,019	1,847,274	(1,460,769)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2023	April 1, 2023	
Employers' total pension liability	\$ 46,137,717	\$ 240,696,851	\$ 286,834,568
Plan fiduciary net position	41,394,895	225,972,801	267,367,696
Employers' net pension liability	<u>\$ 4,742,822</u>	<u>\$ 14,724,050</u>	<u>\$ 19,466,872</u>
System fiduciary net position as a percentage of total pension liability	89.7%	93.9%	93.2%

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—The City may pay for a portion of eligible retirees’ health insurance depending on the type of health plan provided. The plan is a single-employer defined benefit healthcare Plan administered by the City. The plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the City subject to applicable collective bargaining and employee agreements. The financial information for the City’s plan is contained solely within these basic financial statements. The obligations of the Plan members, employees, 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 member vary depending on the applicable agreement. The retirees currently contribute 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

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

Inactive employees or beneficiaries currently receiving benefit payments	112
Active employees	<u>117</u>
Total	<u><u>229</u></u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

The City’s total OPEB liability of \$35,151,295 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2024 actuarial valuation, the Entry Age Normal Method, over a level percent of pay, was used. The single discount rate changed from 3.88% effective December 31, 2023 to 4.22% effective December 31, 2024. The Year 1 Trend healthcare rate as of December 31, 2024 was 7.00% for Pre-65 and Post 65 retirees, while the ultimate healthcare cost trend rate is 4.50% for Pre-65 and Post 65 retirees. Mortality rates are based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability
Balance at December 31, 2023	<u>\$ 35,234,223</u>
Changes for the year:	
Service cost	538,070
Interest	1,447,428
Changes of assumptions	(198,445)
Benefit payments	<u>(1,869,981)</u>
Net changes	<u>(82,928)</u>
Balance at December 31, 2024	<u><u>\$ 35,151,295</u></u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the OPEB liability.

	1% Decrease (3.22%)	Current Discount Rate (4.22%)	1% Increase (5.22%)
Total OPEB liability	\$ 40,294,615	\$ 35,151,295	\$ 31,103,647

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the OPEB liability of a 1% change in the initial (7.00%)/ultimate (4.50%) healthcare cost trend rates.

	1% Decrease (6.00%/3.50%)	Healthcare Cost Trend Rates (7.00%/4.50%)	1% Increase (8.00%/5.50%)
Total OPEB liability	\$ 30,828,303	\$ 35,151,295	\$ 40,686,553

Funding Policy—The obligations of the Plan members, employees, 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 member vary depending on the applicable agreement. The retirees currently contribute 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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The City reports deferred inflows and deferred outflows of resources due to actuarial gains due to plan experience or changes in assumptions and other inputs. The table below presents the City’s deferred inflows and deferred outflows of resources at December 31, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,705,228	\$ 11,341,754
Benefit payments subsequent to the measurement date	2,051,650	-
Total	<u>\$ 6,756,878</u>	<u>\$ 11,341,754</u>

City benefit payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2025	\$ 2,628,616
2026	872,256
2027	(151,908)
2028	(11,014,913)
2029 and thereafter	1,029,423

8. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City purchases commercial insurance to cover such potential risks. The liability insurance limits are as follows: Commercial property coverage with a blanket limit of \$65,000,000, general liability coverage with a general aggregate limit of \$3,000,000, commercial automobile coverage with a liability limit of \$1,000,000, commercial inland marine coverage with a scheduled equipment limit of \$2,285,343, commercial umbrella coverage with a general aggregate limit of \$10,000,000, public official and police professional liability coverage with a liability limit of \$3,000,000, crime coverage with employee dishonesty coverage with a liability limit of \$1,000,000 and cyber coverage with a general aggregate limit of \$1,000,000.

There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded insurance coverage in the past five fiscal years.

9. LEASE AND SUBSCRIPTION LIABILITIES

The City is a lessee for various leases and a subscriber of various information technology agreements. Under GASB Statement No. 87, *Leases*, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Under GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, the City recognizes a subscription liability and a subscription asset in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease/subscription liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the lease/subscription liability is reduced by the principal portion of lease/subscription payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases/subscriptions include how the City determines (1) the discount rate it uses to discount the expected lease/subscription payments to present value, (2) lease/subscription term, and (3) lease/subscription payments.

- The City uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease/subscription terms include the noncancellable period of the lease/subscription. Lease/subscription payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

The City entered into long-term, lease agreements as the lessee for the acquisition and use of various property and equipment and the City reports these as lease liabilities. As of December 31, 2024, the value of the lease and subscription liabilities was \$396,416 and \$2,694 for governmental activities. The leases and subscriptions have interest rates ranging from 2.05% - 4.18%. The value of the right-to-use lease and subscription assets as of the end of the current fiscal year was \$1,308,147 and had accumulated amortization of \$901,410 for governmental activities.

The future principal and interest payments as of December 31, 2024, were as follows:

Year Ending March 31,	Governmental Activities	
	Principal	Interest
2025	\$ 203,305	\$ 9,175
2026	119,876	4,438
2027	64,851	1,496
2028	7,831	228
2029	1,914	42
2030-2034	1,333	1
Total	<u>\$ 399,110</u>	<u>\$ 15,380</u>

10. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANS”) are generally accounted for in the Capital Projects Fund. Principal payments on BANS must be made annually. State law requires that BANS issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANS used for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing, provided that the annual reductions of principal are made.

A summary of changes in the City’s short-term debt for the year ended December 31, 2024 is presented below:

Description	Issue/ Maturity	Interest Rate	Balance 1/1/2024	Issues	Redemptions	Balance 12/31/2024
Capital Projects Fund:						
2023 Bond Anticipation Notes	2023/2024	4.00%	46,913,900	-	46,913,900	-
2024 Bond Anticipation Notes	2024/2025	4.50%	-	52,153,598	-	52,153,598
Total			<u>\$ -</u>	<u>\$ 52,153,598</u>	<u>\$ -</u>	<u>\$ 52,153,598</u>

11. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issues are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The City’s outstanding long-term liabilities include serial bonds, compensated absences, lease and subscription liabilities, other postemployment benefits (“OPEB”) obligation, and net pension liability. The serial bonds of the City are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the City’s long-term liabilities for the year ended December 31, 2024 is presented below:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Serial bonds	\$ 21,491,154	\$ -	\$ 1,239,134	\$ 20,252,020	\$ 1,251,215
Compensated absences	3,832,633	377,087	-	4,209,720	210,486
Lease liabilities	676,464	14,446	294,494	396,416	200,611
Subscription liabilities	30,104	17,957	45,367	2,694	2,694
OPEB obligation	35,234,223	1,985,498	2,068,426	35,151,295	-
Net pension liability*	9,281,567	-	1,686,442	7,595,125	-
Total	<u>\$ 70,546,145</u>	<u>\$ 2,394,988</u>	<u>\$ 5,333,863</u>	<u>\$ 67,607,270</u>	<u>\$ 1,665,006</u>

*Additions to the net pension liability are shown net of reductions.

Serial Bonds—The City issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 30 years.

During the 2021 fiscal year end, the City entered into long-term financing with the Towns of Lenox, Lincoln, Verona, Vernon and Vienna in the amount of \$4,159,321 at a discount rate of 2.125%. This was financed through the U.S. Department of Agriculture Rural Development Agency and is for the construction of the Oneida Public Library. The Library does not have authority to issue general obligation debt under the Constitution and Local Finance Law. The City was apportioned 62.8574% of the joint indebtedness.

A summary of additions and payments of the City’s bond indebtedness for the year ended December 31, 2024 is shown on the following page.

Description	Original Issue Amount	Year of Issue/ Maturity	Interest Rate	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
2016 Armory Boiler	61,361	2016/2026	2 - 4%	\$ 19,000	\$ -	\$ 6,000	\$ 13,000
2016 Kallet Chiller	188,233	2016/2026	2 - 4%	60,000	-	20,000	40,000
2017 City Hall Security Upgrades	203,987	2018/2027	3 - 3.875%	100,000	-	25,000	75,000
2018 Emergency Generator	60,000	2018/2028	3 - 3.875%	30,000	-	6,000	24,000
2019 LED National Grid Buyback	212,065	2019/2028	2 - 2.125%	125,000	-	25,000	100,000
2015 Municipal Roof Project	640,000	2015/2029	2 - 3%	305,000	-	50,000	255,000
2016 Plow truck	231,404	2016/2030	2 - 4%	127,000	-	17,000	110,000
2016 Rescue Truck	179,798	2016/2030	2 - 4%	99,000	-	12,000	87,000
2016 Fire Engine	748,907	2016/2031	2 - 4%	440,000	-	50,000	390,000
2017 DPW Fleet Replacement	393,146	2018/2032	3 - 3.875%	270,000	-	30,000	240,000
2017 Fire Ladder Truck Rehab	450,000	2018/2032	3 - 3.875%	298,000	-	30,000	268,000
2018 Fire Ladder Truck Rehab-Additic	50,000	2018/2032	3 - 3.875%	32,500	-	3,500	29,000
2018 Skid Steer	71,000	2018/2033	3 - 3.875%	50,000	-	5,000	45,000
2018 Snow Plow 4wd	273,633	2018/2033	3 - 3.875%	186,000	-	17,000	169,000
2018 Street Sweeper	195,166	2018/2033	3 - 3.875%	130,000	-	13,000	117,000
2019 Pool Resurfacing	148,800	2019/2033	2 - 2.125%	105,000	-	10,000	95,000
2019 DPW/Plow Truck	161,721	2019/2033	2 - 2.125%	120,000	-	10,000	110,000
2019 LED Street Light Construction	984,172	2019/2033	2 - 2.125%	740,000	-	65,000	675,000
2018 City Hall Additional Repairs	155,500	2018/2042	3 - 3.875%	123,500	-	6,500	117,000
2017 City Hall Lateral Support Wall R	199,000	2018/2042	3 - 3.875%	159,000	-	8,000	151,000
2015 Fish Creek	2,095,000	2015/2029	2 - 3%	1,040,000	-	160,000	880,000
2020 Glenmore Dam	8,000,000	2020/2050	1.5% - 2%	7,390,000	-	210,000	7,180,000
2009 WWTP Clean Water EFC	8,674,030	2039	0.0%	4,626,154	-	289,134	4,337,020
2017 WWTP Aeration Improvements	1,140,000	2018/2042	3 - 3.875%	916,000	-	46,000	870,000
2017 WWTP Fleet Replacement	238,300	2018/2032	3 - 3.875%	160,000	-	15,000	145,000
							-
2021 Oneida Public Library	4,159,321	2021/2051	2.125%	3,840,000	-	110,000	3,730,000
Total				\$ 21,491,154	\$ -	\$ 1,239,134	\$ 20,252,020

Compensated Absences—As described in Note 1, the City records the value of compensated absences. The annual budgets of the respective funds for which the employees’ payroll is recorded provide funding for these benefits as they become payable. The value recorded in the government-wide financial statements at December 31, 2024 for governmental activities is \$4,209,720. Since the payment of sick time is dependent upon many factors, the timing of future payments is not readily determinable; however, management estimates \$210,486 is due within one year.

Lease Liability—As described in Note 9, the City has entered into long-term lease agreements for certain machinery and equipment. The outstanding balance at December 31, 2024 was \$396,416.

Subscription Liability—The City entered into various subscription based information technology agreements. The outstanding balance at December 31, 2024 was \$2,694. Refer to Note 9 for additional information related to the County’s subscription liability.

Other Postemployment Benefits (“OPEB”) Obligation—As explained in Note 7, the City provides health insurance coverage for retirees. The City’s annual OPEB cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with GASB. The estimated long-term OPEB liability is estimated to be \$35,151,295 as of December 31, 2024.

Net Pension Liability—The City reports a liability for its proportionate share of the net pension liability for the Police and Fire Retirement System and Employees’ Retirement System. The total net pension liability is estimated to be \$7,595,125 in the governmental activities. Typically, the General, Water, Community Development, and Library Funds that pay NYS retirement have been used to liquidate this liability within governmental funds. Refer to Note 6 for additional information related to the City’s net pension liability.

The following is a maturity schedule of the City’s indebtedness:

Year Ending December 31,	Serial Bonds	Compensated Absences	Lease Liability	Subscription Liability	OPEB Obligation	Net Pension Liability	Total
2025	\$ 1,251,215	\$ 210,486	\$ 200,611	\$ 2,694	\$ -	\$ -	\$ 1,665,006
2026	1,268,491	-	119,876	-	-	-	1,388,367
2027	1,260,815	-	64,851	-	-	-	1,325,666
2028	1,278,188	-	9,031	-	-	-	1,287,219
2029	1,260,611	-	1,914	-	-	-	1,262,525
2030-2034	4,571,258	-	133	-	-	-	4,571,391
2035-2039	3,805,057	-	-	-	-	-	3,805,057
2040-2044	2,450,809	-	-	-	-	-	2,450,809
2045-2049	2,505,709	-	-	-	-	-	2,505,709
2050 and thereafter	599,867	3,999,234	-	-	35,151,295	7,595,125	47,345,521
Total	<u>\$ 20,252,020</u>	<u>\$ 4,209,720</u>	<u>\$ 396,416</u>	<u>\$ 2,694</u>	<u>\$ 35,151,295</u>	<u>\$ 7,595,125</u>	<u>\$ 67,607,270</u>

The interest requirements for the City’s outstanding serial bonds and lease and subscription liabilities is as follows:

Fiscal Year Ending March 31,	Serial Bonds	Lease Liability	Subscription Liability
2025	\$ 382,405	\$ 9,060	\$ 115
2026	358,512	4,438	-
2027	334,088	1,496	-
2028	309,423	228	-
2029	283,983	42	-
2030-2034	1,120,874	1	-
2035-2039	810,706	-	-
2040-2044	532,624	-	-
2045-2049	260,620	-	-
2050 and thereafter	20,587	-	-
Total	<u>\$ 4,413,822</u>	<u>\$ 15,265</u>	<u>\$ 115</u>

12. NET POSITION AND FUND BALANCE

The government wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to acquisition, construction or improvement of these assets reduce the balance in this category. The table below presents a reconciliation of the City’s governmental activities net investment in capital assets.

Capital assets, net of accumulated depreciation		\$ 92,603,906
Related debt:		
Serial bonds	\$ (20,252,020)	
Bond anticipation notes	(52,153,598)	
Lease liability	(396,416)	
Subscription liability	(2,694)	
Accounts payable - capital fund	(530,831)	
Due to other funds	(4,345,900)	
Unspent debt proceeds	<u>19,687,113</u>	(57,994,346)
Net investment in capital assets		<u>\$ 34,609,560</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions and enabling legislation. The total restricted component of net position of \$2,463,643 is restricted for public safety, retirement, capital projects, debt and community development in the amounts of \$206,057, 28,062, 1,436,253, \$543,552 and \$249,719, respectively, within governmental activities.
- **Unrestricted Net Position**—This category represents net position of the City not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the City at December 31, 2024 is presented on the following page:

- **Prepaid Items**—Representing the portion of fund balance related to prepaids for \$647,556, \$215,206 and 92,507 within the General Fund, Water Fund and Sewer Fund, respectively. This balance is nonspendable as the balance does not represent an available source.

In the fund financial statements, restricted fund balances are amounts with external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions and enabling legislation. Restricted fund balances maintained by the City at December 31, 2024 are presented as follows:

	General	Water	Sewer	Non-major	Total
Public safety	\$ -	\$ -	\$ -	\$ 206,057	\$ 206,057
Retirement	25,018	-	3,044	-	28,062
Capital projects	133,018	1,195,510	107,725	-	1,436,253
Debt	-	-	470,546	73,006	543,552
Community development	-	-	-	249,719	249,719
Total restricted fund balance	<u>\$ 158,036</u>	<u>\$ 1,195,510</u>	<u>\$ 581,315</u>	<u>\$ 528,782</u>	<u>\$ 2,463,643</u>

- **Public Safety**—According to General Municipal Law Section 6-c, represents funds accumulated to finance all or part of the cost of construction, reconstruction or acquisition of specific items or types of capital improvements or acquisition of specific items or types of equipment for public safety purposes.

- **Retirement**—Represents funds of \$25,018 and \$3,044 within the General Fund and Sewer Fund, respectively, set aside for employee benefits due to an employee upon termination of the employee’s service.
- **Capital Projects**—According to General Municipal Law Section 6-d, this restriction represents funds accumulated to pay the cost of certain repairs of capital improvements or equipment.
- **Debt**—Represents funds to be used for future debt payments.
- **Community Development**—Represents amounts received from the Office of Community Renewal and Housing and Urban Development for loans receivable and funds set aside for community development, which are legally or contractually required to be maintained intact.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by formal action of the City’s highest level of decision-making authority (Common Council). At December 31, 2024, the City reported no committed fund balance.

In the fund financial statements, assigned amounts are subject to a purpose constraint that represents an intended use established by the Common Council, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balances represents the residual amount of fund balance. Assigned fund balances maintained by the City at December 31, 2024 are presented as follows:

	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Subsequent year's expenditures	\$ 388,478	\$ -	\$ 300,000	\$ 688,478
Specific use	-	4,829,743	3,709,341	8,539,084
Total assigned fund balance	<u>\$ 388,478</u>	<u>\$ 4,829,743</u>	<u>\$ 4,009,341</u>	<u>\$ 9,227,562</u>

- **Assigned to Subsequent Year’s Expenditure**—Represents funds to be used to assist in supporting the subsequent year authori appropriations.
- **Assigned to Specific Use**—Represents remaining fund balance of the special revenue funds designated to be used for that funds’ specific purpose, as discussed in Note 1.

If the City must use funds for emergency expenditures the Common Council shall authorize the Mayor to expend funds first from funds classified as nonspendable (if funds become available) then restricted funds. The used of committed and assigned funds will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available the City will use unassigned fund balance.

13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the ensuing year.

Interfund receivables and payables of the City as of, and for the year ended December 31, 2024 are presented on the following page.

Fund	Interfund	
	Receivables	Payables
Governmental funds:		
General Fund	\$ 3,489,620	\$ 3,291
Water Fund	616,144	803,200
Sewer Fund	309,275	4,345,900
Capital Projects Fund	806,491	-
Nonmajor funds	-	69,139
Total	<u>\$ 5,221,530</u>	<u>\$ 5,221,530</u>

Transfers are used primarily (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to move residual cash from closed projects, and (3) move cash to fund capital projects. The City had the following interfund transfers as of and for the year ended December 31, 2024:

Fund	Transfers	
	In	Out
General Fund	\$ 260,253	\$ 33,551
Water Fund	205,116	144,283
Sewer Fund	-	1,139,584
Capital Projects Fund	<u>959,925</u>	<u>107,876</u>
Total	<u>\$ 1,425,294</u>	<u>\$ 1,425,294</u>

14. LABOR CONTRACTS

The majority of City employees are represented by three bargaining units. The Civil Service Employees Association is under contract through December 31, 2025. The City Police Benevolent Association and the Oneida Paid Firefighters Association are under contract through December 31, 2027.

15. TAX ABATEMENTS

The City is subject to programs entered into by Madison County (the "County"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the County and incentives may include property tax abatements of any new property tax revenue realized from the increased assessed value of any incentivized project from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future these new revenues will increase periodically until the project is taxed at full assessed value. Assuming the County incentivized projects would have been completed absent tax abatement, the unrealized property tax revenue is \$191,741. However, during the 2024 fiscal year, the City collected \$89,225 related to these new incentivized projects.

16. CONTINGENCIES

Litigation—The City is a defendant in various litigation under Article 7 of the Real Property Tax law of the State of New York to review tax assessments. While the City vigorously defends assessments, likelihood of success is on a case-by-case basis, and is dependent upon many factors including market values and appraised amounts. No potential amount or potential range of loss is determinable. However, management believes that level of such potential loss, if any, would be immaterial and no provisions have been made within the financial statements. Other various legal actions are pending against the City. The outcome of these matters is not presently determinable, but in the opinion of management, the ultimate liability will not have a material adverse effect on the City’s financial condition or results of operation.

Grants—In the normal course of operations, the City receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Other—The City is involved in litigation arising in the ordinary course of its operations. The City believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the City’s financial conditions or results of operations.

Consent Order—A DEC Consent Order was issued for the Wastewater Treatment Plant to increase their aeration and to make necessary long-term improvements for the plant to operate. As of March 2024, the City renewed bond anticipation notes for a total of \$52,153,598 to complete the final stages of the expansion project. Once the project is complete, the City will enter into long term financing less any grant funds received.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 5, 2026, which is the date the financial statements are available for issuance, and have determined, except for the item disclosed below, there are no subsequent events that require disclosure under generally accepted accounting principles.

On March 27, 2025, the City issued \$63,870,198 in Bond Anticipation Notes with an interest rate of 4.00 percent for wastewater treatment plant improvements. The note matures on March 27, 2026.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF ONEIDA , NEW YORK
Schedule of the City's Proportionate Share of the Net Pension Liability—
Police and Fire Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2024	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
City's proportion of the net pension liability	✔ 0.1211905% ✔	✔ 0.1212768% ✔	✔ 0.1106155% ✔	✔ 0.1073610% ✔	✔ 0.1021634% ✔	✔ 0.0996440% ✔	✔ 0.102214% ✔	✔ 0.1046571% ✔	✔ 0.1080690% ✔	✔ 0.1086180%
City's proportionate share of the net pension liability	<u>\$ 5,747,851</u>	<u>\$ 6,682,925</u>	<u>\$ 628,345</u>	<u>\$ 1,864,082</u>	<u>\$ 5,460,568</u>	<u>\$ 1,671,094</u>	<u>\$ 1,031,189</u>	<u>\$ 2,169,177</u>	<u>\$ 3,199,691</u>	<u>\$ 299,157</u>
City's covered payroll	\$ 5,045,523	\$ 4,738,871	\$ 4,391,768	\$ 4,022,477	\$ 3,857,794	\$ 3,804,606	\$ 3,692,721	\$ 3,491,800	\$ 3,230,831	\$ 3,270,342
City's proportionate share of the net pension liability as a percentage of its covered payroll	113.9%	141.0%	14.3%	46.3%	141.5%	43.9%	27.9%	62.1%	99.0%	9.1%
Plan fiduciary net position as a percentage of the total pension liability	89.7%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%	98.5%

CITY OF ONEIDA, NEW YORK
Schedule of the City's Contributions—
Police and Fire Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,117,353	\$ 1,106,594	\$ 1,061,280	\$ 838,873	\$ 838,106	\$ 812,805	\$ 790,766	\$ 744,416	\$ 802,885	\$ 752,885
Contributions in relation to the contractually required contribution	<u>(1,117,353)</u>	<u>(1,106,594)</u>	<u>(1,061,280)</u>	<u>(838,873)</u>	<u>(838,106)</u>	<u>(812,805)</u>	<u>(790,766)</u>	<u>(744,416)</u>	<u>(802,885)</u>	<u>(752,885)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,045,523	\$ 4,738,871	\$ 4,391,768	\$ 4,022,477	\$ 3,857,794	\$ 3,804,606	\$ 3,692,721	\$ 3,491,800	\$ 3,351,258	\$ 3,230,831
Contributions as a percentage of covered payroll	22.1%	23.4%	24.2%	20.9%	21.7%	21.4%	21.4%	21.3%	24.0%	23.3%

CITY OF ONEIDA, NEW YORK
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended March 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2024	March 31, 2023	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
City's proportion of the net pension liability/(asset)	0.0125460%	0.0121183%	0.0120989%	0.0122656%	0.0117664%	0.0109178%	0.0111564%	0.0114157%	0.0111832%	0.0012297%
City's proportionate share of the net pension liability/(asset)	\$ 1,847,274	\$ 2,598,642	\$ (989,034)	\$ 12,213	\$ 3,115,808	\$ 773,558	\$ 360,065	\$ 1,072,640	\$ 1,794,936	\$ 415,434
City's covered payroll	\$ 4,611,057	\$ 4,193,785	\$ 4,086,840	\$ 3,768,068	\$ 3,749,843	\$ 3,617,137	\$ 3,502,170	\$ 3,442,685	\$ 3,054,725	\$ 3,243,110
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	40.1%	62.0%	(24.2)%	0.3%	83.1%	21.4%	10.3%	31.2%	58.8%	12.8%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	93.9%	90.8%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.7%	97.2%

CITY OF ONEIDA, NEW YORK
Schedule of the City's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 562,654	\$ 439,592	\$ 561,482	\$ 514,121	\$ 503,688	\$ 504,218	\$ 508,224	\$ 505,200	\$ 557,773	\$ 544,656
Contributions in relation to the contractually required contribution	<u>(562,654)</u>	<u>(439,592)</u>	<u>(561,482)</u>	<u>(514,121)</u>	<u>(503,688)</u>	<u>(504,218)</u>	<u>(508,224)</u>	<u>(505,200)</u>	<u>(557,773)</u>	<u>(544,656)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,611,057	\$ 4,193,785	\$ 4,086,840	\$ 3,768,068	\$ 3,749,843	\$ 3,617,137	\$ 3,502,170	\$ 3,442,685	\$ 3,355,870	\$ 3,054,725
Contributions as a percentage of covered payroll	12.2%	10.5%	13.7%	13.6%	13.4%	13.9%	14.5%	14.7%	16.6%	17.8%

CITY OF ONEIDA, NEW YORK
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Seven Fiscal Years*

	December 31,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 538,070	\$ 447,779	\$ 400,070	\$ 749,465	\$ 734,674	\$ 386,242	\$ 305,810
Interest	1,447,428	1,273,767	2,040,441	1,005,414	949,543	1,360,962	1,472,835
Changes in assumptions	(198,445)	1,557,022	(16,682,966)	(286,040)	2,107,746	8,862,478	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Benefit payments	(1,869,981)	(1,746,791)	(1,738,952)	(1,659,179)	(1,849,650)	(1,490,066)	(1,462,737)
Net change in total OPEB liability	(82,928)	1,531,777	(15,981,407)	(190,340)	1,942,313	9,119,616	315,908
Total OPEB liability—beginning	35,234,223	33,702,446	49,683,853	49,874,193	47,931,880	38,812,264	38,496,356
Total OPEB liability—ending	<u>\$ 35,151,295</u>	<u>\$ 35,234,223</u>	<u>\$ 33,702,446</u>	<u>\$ 49,683,853</u>	<u>\$ 49,874,193</u>	<u>\$ 47,931,880</u>	<u>\$ 38,812,264</u>
Plan Fiduciary Net Position							
Contributions—employer	\$ 1,869,981	\$ 1,746,791	\$ 1,738,952	\$ 1,659,179	\$ 1,849,650	\$ 1,490,066	\$ 1,462,737
Benefit payments	(1,869,981)	(1,746,791)	(1,738,952)	(1,659,179)	(1,849,650)	(1,490,066)	(1,462,737)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>						
City's net OPEB liability—ending	<u>\$ 35,151,295</u>	<u>\$ 35,234,223</u>	<u>\$ 33,702,446</u>	<u>\$ 49,683,853</u>	<u>\$ 49,874,193</u>	<u>\$ 47,931,880</u>	<u>\$ 38,812,264</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 7,980,960	\$ 7,968,263	\$ 7,968,263	\$ 6,911,728	\$ 6,911,728	\$ 6,405,602	\$ 6,405,602
Total OPEB liability as a percentage of covered-employee payroll	440.4%	442.2%	423.0%	718.8%	721.6%	748.3%	605.9%

*Information prior to the year ended December 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF ONEIDA, NEW YORK
Schedule of Revenues, Expenditures, and Change in Fund Balance—
Budget and Actual—General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 5,298,376	\$ 5,298,376	\$ 5,298,041	\$ (335)
Other tax items	151,616	149,616	153,054	3,438
Non-property tax items	7,082,804	7,082,804	7,066,963	(15,841)
Departmental income	254,000	249,000	224,221	(24,779)
Intergovernmental charges	13,500	15,840	21,076	
Use of money and property	26,350	26,350	85,126	58,776
Licenses and permits	50,780	50,780	47,793	(2,987)
Fines and forfeitures	41,000	41,000	53,588	12,588
Sale of property and compensation for loss	53,000	62,483	157,342	94,859
Miscellaneous	200,000	200,500	175,602	(24,898)
State aid	2,094,876	2,093,606	2,234,263	140,657
Federal aid	4,500	4,500	106,370	101,870
Total revenues	15,270,802	15,274,855	15,623,439	343,348
EXPENDITURES				
Current:				
General government support	1,742,044	1,898,887	1,751,341	147,546
Public safety	5,540,067	5,708,249	5,556,887	151,362
Health	74,410	73,610	23,097	50,513
Transportation	1,544,283	1,546,469	1,502,287	44,182
Culture and recreation	445,743	459,542	454,810	4,732
Home and community services	399,112	397,348	359,531	37,817
Employee benefits	5,585,803	5,523,012	5,398,324	124,688
Debt service:				
Principal	683,638	694,713	694,713	-
Interest	95,649	108,499	108,481	18
Total expenditures	16,110,749	16,410,329	15,849,471	560,858
Excess (deficiency) of revenues over expenditures	(839,947)	(1,135,474)	(226,032)	904,206
OTHER FINANCING SOURCES (USES)				
Transfers in	260,253	260,253	260,253	-
Transfers out	-	(8,580)	(33,551)	(24,971)
Leases and subscriptions issued	-	-	32,403	32,403
Total other financing sources (uses)	260,253	251,673	259,105	7,432
Net change in fund balance*	(579,694)	(883,801)	33,073	911,638
Fund balance—beginning	5,055,010	5,055,010	5,055,010	-
Fund balance—ending	\$ 4,475,316	\$ 4,171,209	\$ 5,088,083	\$ 911,638

*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF ONEIDA, NEW YORK
Schedule of Revenues, Expenditures, and Change in Fund Balance—
Budget and Actual—Water Fund
Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 4,111,935	\$ 4,094,285	\$ 4,031,188	\$ (63,097)
Use of money and property	400	400	617,891	617,491
Sale of property and compensation for loss	8,000	44,197	229,509	185,312
Miscellaneous	-	-	127	127
Total revenues	<u>4,120,335</u>	<u>4,138,882</u>	<u>4,878,715</u>	<u>739,833</u>
EXPENDITURES				
Current:				
Home and community services	2,636,858	2,716,485	2,462,468	254,017
Employee benefits	664,149	666,267	618,508	47,759
Debt service:				
Principal	370,000	408,549	403,182	5,367
Interest	224,824	186,275	186,275	-
Total expenditures	<u>3,895,831</u>	<u>3,977,576</u>	<u>3,670,433</u>	<u>307,143</u>
Excess of revenues over expenditures	<u>224,504</u>	<u>161,306</u>	<u>1,208,282</u>	<u>432,690</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	139,330	139,330	205,116	65,786
Transfers out	<u>(363,834)</u>	<u>(259,279)</u>	<u>(144,283)</u>	<u>114,996</u>
Total other financing sources (uses)	<u>(224,504)</u>	<u>(119,949)</u>	<u>60,833</u>	<u>180,782</u>
Net change in fund balance	-	41,357	1,269,115	613,472
Fund balance—beginning	<u>4,971,344</u>	<u>4,971,344</u>	<u>4,971,344</u>	<u>-</u>
Fund balance—ending	<u>\$ 4,971,344</u>	<u>\$ 5,012,701</u>	<u>\$ 6,240,459</u>	<u>\$ 613,472</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF ONEIDA, NEW YORK
Schedule of Revenues, Expenditures, and Change in Fund Balance—
Budget and Actual—Sewer Fund
Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 6,020,290	\$ 6,020,290	\$ 7,602,966	\$ 1,582,676
Use of money and property	-	-	60,363	60,363
Sale of property and compensation for loss	-	-	12,042	
Miscellaneous	25,500	61,013	76,232	15,219
Total revenues	<u>6,045,790</u>	<u>6,081,303</u>	<u>7,751,603</u>	<u>1,658,258</u>
EXPENDITURES				
Current:				
Home and community services	2,170,783	2,441,896	1,914,735	527,161
Employee benefits	451,346	451,346	351,523	99,823
Debt service:				
Principal	378,053	378,053	371,100	6,953
Interest	1,926,989	1,912,989	1,898,444	14,545
Total expenditures	<u>4,927,171</u>	<u>5,184,284</u>	<u>4,535,802</u>	<u>648,482</u>
Excess of revenues over expenditures	<u>1,118,619</u>	<u>897,019</u>	<u>3,215,801</u>	<u>2,306,740</u>
OTHER FINANCING USES				
Transfers out	<u>(1,118,619)</u>	<u>(1,121,094)</u>	<u>(1,139,584)</u>	<u>(18,490)</u>
Total other financing uses	<u>(1,118,619)</u>	<u>(1,121,094)</u>	<u>(1,139,584)</u>	<u>(18,490)</u>
Net change in fund balance	-	(224,075)	2,076,217	2,288,250
Fund balance—beginning	<u>2,606,946</u>	<u>2,606,946</u>	<u>2,606,946</u>	-
Fund balance—ending	<u>\$ 2,606,946</u>	<u>\$ 2,382,871</u>	<u>\$ 4,683,163</u>	<u>\$ 2,288,250</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF ONEIDA, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2024

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date, which increased from 3.88% effective December 31, 2023 to 4.22% at December 31, 2024. Mortality rates were updated to rates based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality fully generational using scale MP-2021. Finally, the healthcare cost trend rate has an initial rate of 7.00% and an ultimate rate of 4.50%

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America for all governmental funds, with the exception of the Community Development Fund and the Capital Projects Fund. These funds are appropriated on a project-length basis; appropriations are approved through Common Council resolution at the grant/project's inception and lapse upon completion/termination of the grant/project.

The appropriated budget is prepared by fund, function, and department. Amendments and transfers of appropriations require the approval of the Common Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the object classification.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the City's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. The City has no significant encumbrances at December 31, 2024.

Excess of Expenditures over Appropriations—The City's Sewer Fund incurred expenditures for the year ended December 31, 2024 which exceeded the final budgeted appropriations as follows:

- Sewer Fund—Transfer Out—The negative variance is due to BAN payments exceeding the anticipated budget amount.

SUPPLEMENTARY INFORMATION

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CITY OF ONEIDA, NEW YORK
Combining Balance Sheet—
Nonmajor Governmental Funds
December 31, 2024

	<u>Community Development</u>	<u>Debt Service</u>	<u>Police & Fire</u>	<u>Total Nonmajor Funds</u>
ASSETS				
Restricted cash and cash equivalents	\$ 331,232	73,006	\$ 214,896	\$ 619,134
Receivables	81,841	-	-	81,841
Intergovernmental receivables	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
Total assets	<u>\$ 413,073</u>	<u>\$ 73,006</u>	<u>\$ 215,196</u>	<u>\$ 701,275</u>
LIABILITIES				
Accounts payable	\$ 21,514	\$ -	\$ -	\$ 21,514
Unearned revenue	81,840	-	-	81,840
Due to other funds	<u>60,000</u>	<u>-</u>	<u>9,139</u>	<u>69,139</u>
Total liabilities	<u>163,354</u>	<u>-</u>	<u>9,139</u>	<u>172,493</u>
FUND BALANCES				
Restricted	<u>249,719</u>	<u>73,006</u>	<u>206,057</u>	<u>528,782</u>
Total fund balances	<u>249,719</u>	<u>73,006</u>	<u>206,057</u>	<u>528,782</u>
Total liabilities and fund balances	<u>\$ 413,073</u>	<u>\$ 73,006</u>	<u>\$ 215,196</u>	<u>\$ 701,275</u>

CITY OF ONEIDA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Community Development	Debt Service Library	Special Revenue Police & Fire	Total Nonmajor Funds
REVENUES				
Real property taxes	\$ -	\$ -	\$ 33,998	\$ 33,998
Nonproperty tax items	-	-	158	158
Departmental income	25,900	-	9,365	35,265
Use of money and property	63	6,145	58	6,266
Fines and forfeitures	-	-	9,510	9,510
Miscellaneous	-	251,766	-	251,766
State aid	-	-	1,900	1,900
Total revenues	<u>25,963</u>	<u>257,911</u>	<u>54,989</u>	<u>338,863</u>
EXPENDITURES				
Current:				
General government support	-	86,771	-	86,771
Public safety	-	-	7,522	7,522
Home and community services	32,702	-	-	32,702
Debt service:				
Principal	-	110,000	-	110,000
Interest and fiscal charges	-	81,416	-	81,416
Total expenditures	<u>32,702</u>	<u>278,187</u>	<u>7,522</u>	<u>318,411</u>
Excess (deficiency) of revenues over expenditures	<u>(6,739)</u>	<u>(20,276)</u>	<u>47,467</u>	<u>20,452</u>
Fund balances—beginning	<u>256,458</u>	<u>93,282</u>	<u>158,590</u>	<u>508,330</u>
Fund balances—ending	<u>\$ 249,719</u>	<u>\$ 73,006</u>	<u>\$ 206,057</u>	<u>\$ 528,782</u>

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

To the Common Council
City of Oneida, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Oneida, New York (the "City") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2026 (which report includes an adverse opinion on a discretely presented component unit).

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Drescher & Malecki LLP

February 5, 2026