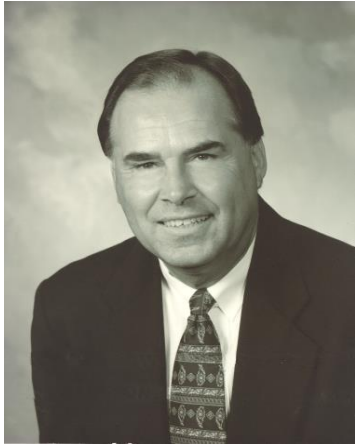
A high-speed photograph of water splashing, creating a dynamic and refreshing background. The water is captured in mid-air, with numerous droplets and bubbles visible, all in shades of light blue. The central focus is a vertical stream of water falling into a pool, which causes a large splash and the formation of many smaller droplets around it. The overall effect is one of purity and movement.

Elmira Water Board 2023 Annual Report

To find out more about the
Elmira Water Board, visit us at our
Website
www.elmirawaterboard.org
or email us at
waterinfo@elmirawaterboard.org



Martin D. Chalk, President



M. Robby Robertson, Vice President

COMMISSIONERS



Danny W. Gray



Robert L. Briggs



Thomas E. Ramich

The Elmira Water Board

President	Term
Martin D. Chalk	2019-2024

Vice President	Term
M. Robby Robertson	2022-2027

Commissioners	Term
Danny W. Gray	2020-2025
Robert L. Briggs	2021-2026
Thomas E. Ramich	2023-2028

Corporate Counsel
John J. Ryan, Jr.

General Manager
Alyssa L. Melens

Secretary-Treasurer
Jessica A. Allison

The Commissioners of the Elmira Water Board are elected officials of the City of Elmira authorized and empowered by Charter to make, publish and enforce rules and regulations necessary for the efficient operation of the water works system.

The work done by the Commission, and authorized by the Charter, is to conduct studies essential to developing and maintaining adequate and continuous supplies of potable water and to establish water rates adequate to finance system improvements and operations.

The Board meets monthly at the Elmira Water Board Filtration Plant located at One Fountain Drive, Elmira, New York 14905. Meetings are open to the public and schedules can be obtained by visiting our website at www.elmirawaterboard.org.



The Elmira Water Board ended 2023 at 99% of our expense budget and 104% of our revenue budget.

The increase in overall revenue was primarily due to the grant revenue received for the Lead Service Line Replacement Program (LSLRP). The LSLRP was awarded to the Water Board by the New York State Department of Health to replace existing lead service lines throughout our distribution system. The increase in grant revenue was also due to ARP Grant funded through the City of Elmira (which was also for the replacement of lead service lines). These grants provided us with the funding to complete 145 lead service line replacements.

During 2023 there were several factors that resulted in fluctuations in expenditures. Several items came in under budget for the year due to lower costs and conservative budgeting, such as: workers compensation, real estate taxes, utilities, materials, tools and equipment rentals, off-set by an increase in costs for consulting and blacktop.

Our employees continued to work diligently on leak detection throughout the year; in doing so we are able to locate and repair main breaks before they surface. We recognize all of the dedicated employees who worked tirelessly to ensure our customers had limited interruption in water service.

Our staff understands its obligation to be conscientious of all spending, which is closely monitored throughout the year. In the year ahead, we continue to remain committed to the task of fiscal responsibility.

Capital spending details are in the Board's "Letter to the Mayor" attached to this annual report.

Staff Changes:

During 2023 the Water Board had numerous new employees and promotions.

We welcomed Pete Abramson, Auto Mechanic; Caleb McNairn, DJ Noto and Nick Koski, Laborers, all of the Maintenance Dept., and AJ Griffin, Skilled Mechanic in the Facilities Dept.

Congratulations to Mark LaDouce, for his 26 years of dedicated service to the Elmira Water Board. Mark joined the Elmira Water Board as Assistant General Manager in January 1997 then was promoted to General Manager in October 2006, before retiring in 2023.

Also retiring in 2023 was Sam Pizzo, Working Supervisor of the Facilities Department, after 29 years of service. Sam joined the EWB in June of 1994 as Laborer in the Maintenance Department. He had been promoted throughout the years, to Maintenance Mechanic, Skilled Mechanic and finally Working Supervisor in 2006. These positions were fulfilled in the Maintenance Department, Filter Plant and finally the Facilities Department.

Alyssa L. Melens was promoted to General Manager as of April 1, 2023. Alyssa has been employed by the Elmira Water Board since July 2014. She was hired as Secretary Treasurer and filled that position until her promotion to General Manager.

Tyler Corter of the Maintenance Department was promoted to MEO II from MEO III (Motor Equipment Operator).

Caleb McNairn was promoted from Laborer to Maintenance Mechanic in September of 2023. He temporarily filled in maintaining the hydrants throughout the distribution system and then began filling in on locator tasks.

Congratulations to Kyle Baxter on his promotion from Water Treatment Plant Operator to Analytical Chemist. Kyle has proven to be a great asset to the department and to the Elmira Water Board. His promotion is a result of hard work and a willingness to go above and beyond his normal duties.

Congratulations to Pete Abramson on completing training through GST BOCES and receiving his CDL, Class A License. Pete had to complete a 20 hour on-line course as well as 40 hours of driving time before successfully passing the driving portion of the test.

Employees leaving employment during 2023 were: Thomas Brautigan, Steven Bailey, Travis Victor, Kaden Cole and Kyle Wieder.

Board of Commissioner Changes:

In June 2023, Thomas E. Ramich joined the EWB's Board of Commissioners after he was elected to the Board with the most votes. Tom won the 5-year term from 2023 to 2028.

Charlie Shaffer resigned from the Board after deciding not to run for re-election.



Alyssa L. Melens
General Manager

Elmira Water Board Directory

Alyssa L. Melens, General Manager

(607) 733-9179

Main Office

Monday Through Friday 9:00 AM to 4:00 PM

(607) 733-9179

Customer Service & Billing Information

David McCarty, Chief Water Treatment Operator

(607) 732-2277

Filtration Plant

24/7 Water Quality Questions &

(607) 732-2277

To Report an Emergency

Elmira Water Board Website

www.elmirawaterboard.org

Public Elmira Water Board Meetings

1 Fountain Drive, Elmira, NY

(607) 733-9179

Call Main Office for dates and times

Other Important Water Numbers

Chemung County Health Department

To answer water questions

(607) 737-2019

Chemung County Health Department Website

(click on the environmental tab to view the drinking water page)

www.chemungcountyhealth.org

Environmental Protection Agency

Safe Drinking Water Hotline

1-800-426-4791

April 30, 2024

To the Honorable Mayor and Council of the City of Elmira, New York:

The legislation creating the Elmira Water Board requires that we submit an annual report to the City, which summarizes our activities and work completed during the calendar year. In addition, the Charter requires that we advise you of our financial condition. Our audited financial statement for the year ending December 31, 2023 has been included for your review.

Operational Information

The Elmira Water Board currently has a total of 43 employees in its Filtration, Meter, Billing Office, Facilities, Maintenance, Engineering and Administration departments. We provide service to approximately 17,500 accounts with an estimated population of 54,000. In the late 1990's we served a population of approximately 70,000; this 23% decrease in the customer base has been the largest factor in the 35% decrease in billed usage over the same timeframe. Other contributing factors include the mandate for low flow fixtures, aging water meters, and customer conservation efforts that are partly driven by rising water prices.

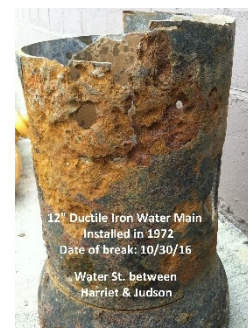
Approximately 1.7 billion gallons of water were pumped, treated and distributed to our customers in 2023. Our raw water sources are primarily the Chemung River and two well fields in close proximity to the river on Foster Island (on the north side of the river) and Hudson Street (on the south side of the river). The raw water is blended and then pumped to our treatment facilities where it undergoes coagulation and sedimentation for solids removal. Gravity flow is used to move the settled water to the dual media filter beds for final treatment and disinfection.

Our distribution system contains 225 miles of water mains, 1,253 hydrants, and several thousand valves and service lines. In addition to our treatment facilities, we operate and maintain six pumping stations, four finished water reservoirs, and six wells.

Of our 225 miles of water mains, more than half are in excess of 100 years old. We included a map from our GIS showing the water mains color coded by age. The red mains, from 1915 and earlier, make up a large part of our current system. The majority of the water mains within the City of Elmira are pre-1915 (many are late 1800's), along with a portion of the Town of Elmira and a large portion of Elmira Heights.

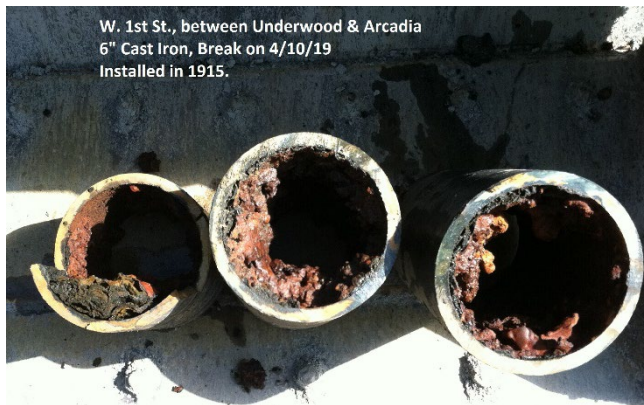
Several factors impact the service life of our distribution system including: piping material, age, local soil conditions and installation practices in use at the time of installation. For cast iron (about 74% of our system) the average service life ranges from 50 to 100 years on a nationwide basis according to some sources, to 100-120 years in the northeast for small and medium systems, according to an American Water Works Association (AWWA) study. The Elmira Water Board is considered a medium sized water system. Corrosion issues and soil conditions influence the service life throughout our distribution system, and can affect new ductile iron as well as old cast iron pipes.

Included are two recent pictures of water mains; one installed in 1972 on East Water Street across from the site of a former power plant where corrosion was evident on other nearby conduits, and one of a pipe installed in 1991 in a former swampland where the fill appeared to contain some ash, contributing to corrosive soil conditions.



Conditions inside a water main are also a concern. We have extensive tuberculation problems in our mains. This condition is common with unlined cast iron pipes and surface water sources; cement lined pipes do not have this problem. Cement lining began around the mid 1930's and has been a standard on ductile iron for many years. Tuberculation can greatly degrade water quality and hydraulic capacity. This can also have a negative impact on the flows available to large volume users such as the hospitals, larger factories and the prison. This tuberculation can also restrict flows available for fire fighting.

Below are pictures showing the extent of the tuberculation in our mains. These are typical conditions inside our unlined cast iron pipes.



In addition to aging water mains, the age and condition of our valves are also a substantial concern. The service life of a valve is typically 40 – 60 years. We have approximately 5,000 valves in our system, many of which were installed in the 1920's and 1930's. Often, a scheduled valve replacement results in the replacement of several nearby valves, as the ones needed for a shutdown may not be operable.

We also have over 17,000 service laterals to customer premises. The majority of our service lines are copper, but we still have a small number of lead service lines (less than 15), approximately 200 that may be partially lead, and roughly 500 wrought iron service lines. The lead service lines have well-publicized problems and have taken priority on replacement. The wrought iron lines are subject to the same tuberculation inside as bare cast iron lines, degrading water quality and choking off flow. Externally, they are susceptible to corrosion.

In 2017 the Water Board was awarded \$663,185 through the New York State Lead Service Line Replacement Program (LSLRP) to facilitate the replacement of lead service lines; as of today all funds have been utilized for the replacement of these service lines. In addition, the City of Elmira is directing some funding through the American Rescue Plan to cover additional lead service line replacement costs.

The Elmira Water Board believes enhancing our replacement program for all distribution system assets is crucial to ensuring the continued operation and reliability of our system.

Precise meter readings are crucial to ensuring accurate billing and collection figures. Metered water sales accounted for 88% of our revenue for 2023. We provide service to approximately 17,500 accounts; 150 accounts are billed monthly and the remaining accounts are read and billed on a bi-monthly basis. The majority of the accounts billed monthly have larger meters (1 ½" and above), which are changed out as needed. During the last quarter of 2023 we began our residential meter and radio-read installation program. This project is estimated to cost a total of \$4,500,000.

The radio read equipment will significantly improve our ability to monitor our system, gather data, help customers detect potential leaks, and may aid in reducing our distribution system water losses.

While metered water sales account for the majority of the revenue billed we also bill for miscellaneous customer fees, penalties assessed on overdue bills and fire protection. The total revenue for 2023 was 104% of the amount budgeted, mainly due to the grant revenue received throughout the year.

Overall operating expenses were under budget for 2023. Conservative budgeting and spending throughout the year were beneficial to the Water Board.

Employee wage and benefit costs represented 53% of the total operating expenses for 2023. Employee wages was slightly under budget due to various vacancies throughout the year. In 2024, wages will increase by 5% for all CSEA unit employees, as agreed upon in the current contract.

Capital Projects

Water Main Replacement & Water Line Main-To-Curb Replacements

Our maintenance crews are responsible for the ongoing repair, upgrade, and operation of our water distribution system. Our system encompasses the City of Elmira, the Village of Elmira Heights, and portions of the Towns of Southport, Horseheads, and Elmira.

The Elmira Water Board's maintenance crews also installed the following 1,070 feet of water main to replace existing water main for a total cost of \$77,791:

West 18th Street 1,070 feet – 8” Ductile Iron

When crews replace mains, they also evaluate the need for the installation of valves, hydrants, and service line connections and complete these upgrades as needed. In 2023, 149 main to curb service lines were replaced or added for a cost of \$220,767. There were also 70 new/replaced valves for a total cost of \$166,431 and 55 replaced hydrants totaling \$190,844. We continuously strive to update our infrastructure.

Capitalized Items

During 2023 the Water Board also had the following large capital expenditures:

Filter Plant Improvements

Coagulation Basin Main Lining \$149,750

Maintenance Department

6-ton Asphalt Hot Bod \$ 62,994

Valve Turner Machine \$ 74,461

Meter Department

(17) Large Meters (1 ½” to 8”) \$ 37,234

Facilities Improvements/Equipment

Parking Lot Paving \$ 68,730

Utility Tractor \$ 69,217

Pump – West Elmira Booster Station	\$ 26,538
<u>Computer IT upgrades</u>	
Dell Work Stations (5)	\$ 7,306
<u>Vehicles</u>	
Vehicles/Trucks (2)	\$ 93,000
<u>Engineering Department</u>	
Leak Logger Equipment	\$ 23,103

Other Activities

The Elmira Water Board is vigilant in its quest to discover and repair leaks. Our Maintenance, Meter and Engineering Departments are trained in leak detection and continually find and repair leaks.

In addition to the Elmira Water Board’s efforts, in 2023 independent leak detection contractor Northeast Water Technology of Liberty, New York assists with leak detection throughout our distribution system. Water leaks on mains or services and several hydrant leaks, all of varying magnitude, were discovered and located through the use of electronic leak noise detectors and computerized correlators. Our maintenance crews subsequently repaired these leaks.

Village of Wellsburg

The water sold to the Village of Wellsburg amounted to \$31,672 in additional revenue.

While growth within its distribution system remains stagnant for the Elmira Water Board, opportunities to expand beyond the geographical system to help increase the revenue base are actively sought and encouraged.

Goals

Infrastructure improvements are essential to the maintenance of the distribution system and are a top priority in budgetary planning. Reinvesting revenue funds back into the infrastructure is critical to maintaining the 140+ year old-system. We will continue replacing lead service lines, main, valves and hydrants to improve the overall infrastructure.

We have also been awarded an EFC grant of approximately \$3,000,000 for distribution system improvements. The EWB must cover 40% of the costs of these grant projects. The first phase, the replacement of a 16” water main on West Water Street from College Avenue to Railroad Avenue was completed in 2020. The second phase of this was the replacement of a 16” water main on East Water Street from Clemens Center Parkway to Madison Avenue, which will be completed in Spring 2024.

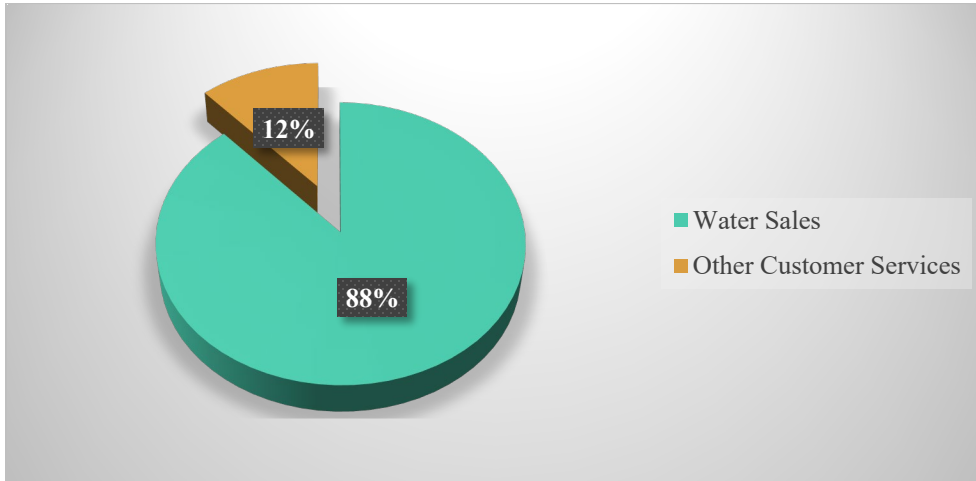
Funding for capital improvements, except for lead service line replacements and the EFC grant, for 2024 will come from operating revenue. Ultimately, the vast majority of all costs - operational costs, capital spending, debt service – are paid for by operating revenue. As detailed above we have substantial needs for investment in this infrastructure. The City’s attempts to divert money from the water system, if successful, will leave less water funds available for water system operation, maintenance, and replacements. The Board has closely reviewed each item’s necessity and will monitor all spending throughout the year.

In closing, the Elmira Water Board would like to thank the officials, management, and staff of the City of Elmira for your continued assistance and support during 2023.

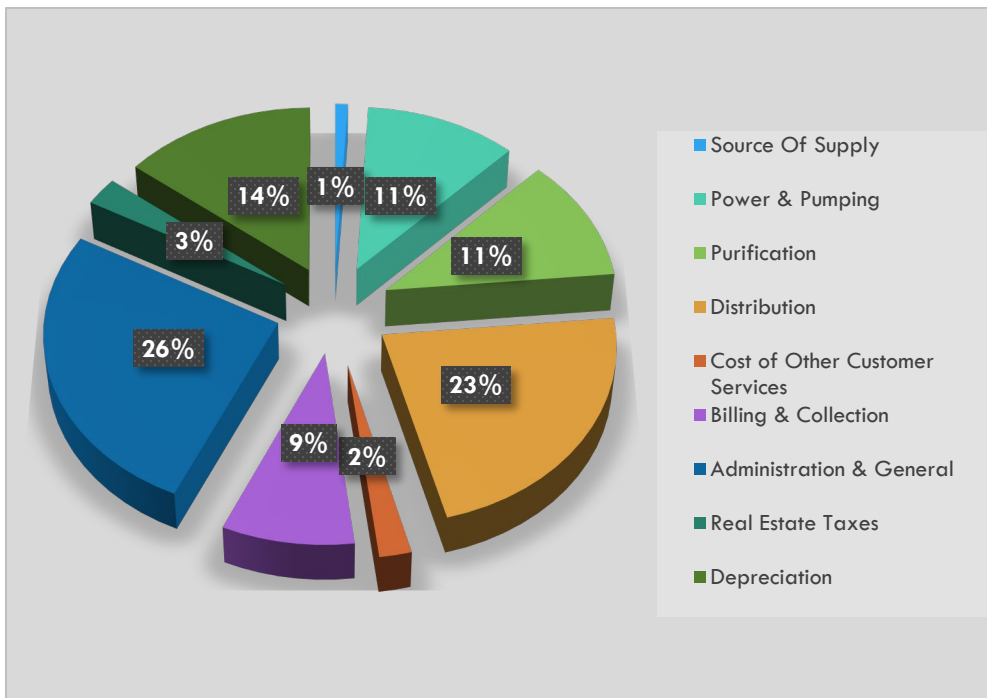
Respectfully Submitted,

Martin D. Chalk

Martin D. Chalk,
President, Elmira Water Board



Operating Revenues 2023 Fiscal Year



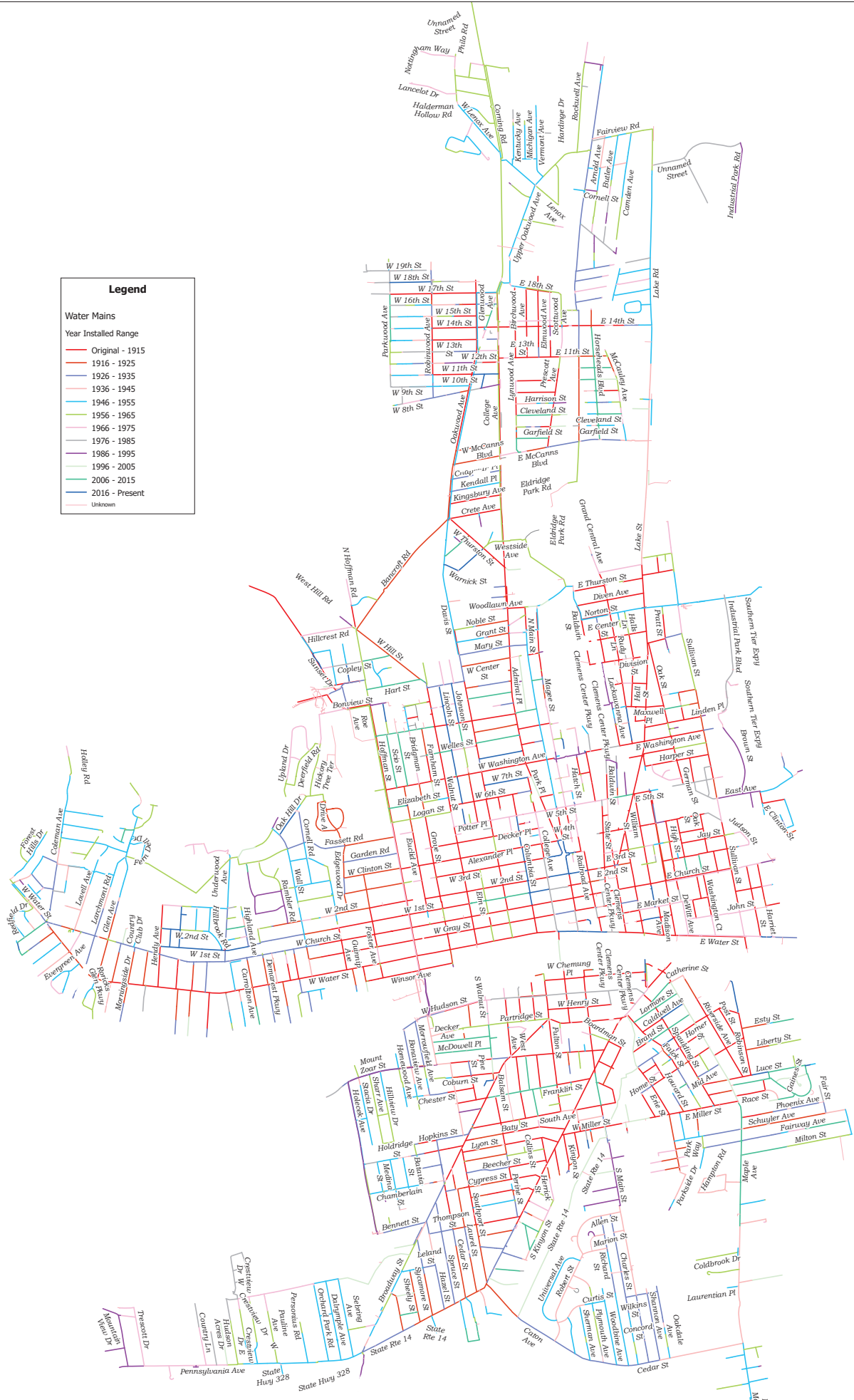
Operating Expenses 2023 Fiscal Year

Legend

Water Mains

Year Installed Range

- Original - 1915
- 1916 - 1925
- 1926 - 1935
- 1936 - 1945
- 1946 - 1955
- 1956 - 1965
- 1966 - 1975
- 1976 - 1985
- 1986 - 1995
- 1996 - 2005
- 2006 - 2015
- 2016 - Present
- Unknown



ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

ELMIRA, NEW YORK

AUDITED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023 AND 2022



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

Elmira Water Board
(An Enterprise Fund of the City of Elmira, New York)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elmira Water Board, an enterprise fund of the City of Elmira, New York, which comprise the statements of net position as of December 31, 2023 and 2022, and the related statements of activities and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net position of Elmira Water Board as of December 31, 2023 and 2022, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Elmira Water Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note A to the financial statements, in 2023, the entity adopted new accounting guidance related to accounting for credit losses. Our opinion is not modified with respect to this matter.

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 Elmira Water Board's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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, 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 Elmira Water Board'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 Elmira Water Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of the Company's proportionate share of the net pension liability, schedule of Company contributions - pension, and schedule of changes in the Company's total other postemployment benefits liability and related ratios on pages 5 through 8 and 33 through 35, 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.

Mengel, Metzger, Baw & Co. LLP

Elmira, New York
April 18, 2024

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

Introduction:

Our discussion and analysis of Elmira Water Board's (the "Company") financial performance provides an overview of the Company's financial activities for the fiscal year ended December 31, 2023. It also provides a description and understanding of the various financial statements and other financial and statistical information contained herein. Please read it in conjunction with the Company's basic financial statements.

Elmira Water Board is a local water utility which provides water to various communities in the County of Chemung, New York.

Mission:

The Elmira Water Board is committed to providing the community with high quality water; to insuring the safety of our system; and to being fiscally responsible to our entire customer base.

Values:

- Water quality standards
- Customer service and satisfaction
- Fiscal responsibility
- Quality personnel
- Equitable rules and regulations

Continuing Goals:

- Maintain and upgrade infrastructure, consumer relations/outreach, consumer base expansion, and meet all Federal and State water quality standards.
- Utilize every resource available to meet all Federal and State water quality standards.
- Maintain and rehabilitate infrastructure to help ensure uninterrupted service.
- Expand consumer relations by educating customers on the history of the Elmira Water Board and providing water component and usage information.

Operational Information:

The Elmira Water Board currently provides service to approximately 17,500 accounts with an estimated population of 54,000 residents. Our institutional/industrial and wholesale customer bases represent 24% of our total water revenue and the residential customer base represents 76%.

In 2023 the average annual residential usage, in gallons, was 42,072 and the average yearly residential bill was \$344.81, a decrease of approximately \$10, compared to 2022.

The Elmira Water Board pumped, treated, and distributed to our customers approximately 1.7 billion gallons of water in 2023. In 2023 our total water sales amounted to \$8,217,113; a decrease of \$102,823 compared to the 2022 water sales of \$8,319,936.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS, Cont'd

FOR THE YEAR ENDED DECEMBER 31, 2023

The distribution system contains 225 miles of water mains, 1,253 hydrants, approximately 5,000 valves and several thousand service lines. The Water Board Maintenance Department, consisting of 12 employees, maintains the system and updates the infrastructure throughout the distribution system.

Our water treatment plant provides twenty-four/seven supervision of water production. The Filtration Department's 10 employees oversee the filtration process. In conjunction with the Filter Plant, we operate and maintain six pumping stations, four finished water reservoirs, and six wells. The Water Board's Facilities Department, which consists of five employees, services these structures and related equipment as well as all other Water Board assets.

Residential and commercial water meters are read by our Meter Department, which total over 100,000 reads per year. The five employees in the department are also responsible for the installation and maintenance of meters, service line inspections, and all other customer service related activities. In the last quarter of 2023 the Meter Department began changing out meters and installing radio read devices. These efforts will continue into 2024 until all meters have been changed and all accounts are read via radio read device.

The Main Office, with its 5 employees, bills all residential and commercial accounts (including fire lines and out-of-district hydrants), processes payments from customers, provides customer service, administers delinquent accounts, and performs all accounting functions, i.e. accounts payable, account receivable and employee payroll for the Elmira Water Board.

Employee wage and benefit costs comprise 53% of the operating expenses of the Water Board in 2023. The mandated New York State pension cost continues to be a financial strain to the operations of the Company. The Company makes every effort to reserve the needed contributory funds and make prepaid payments to take advantage of extended New York State pension discounts.

Capital Projects:

In 2023 the Company's maintenance department installed 1,093 feet of ductile iron water main to replace existing mains. The total capitalized cost of this work was \$77,791.

The engineering and maintenance departments also evaluate the need for the installation or replacement of valves, hydrants, and service line connections throughout the distribution system. In 2023 the Company replaced 70 valves for a total cost of \$166,431 and 55 hydrants for a total cost of \$190,844. By continuing to replace valves throughout the distribution system, the Company will be better prepared for emergencies as they arise.

In 2017 the Company was awarded funds through the New York State Clean Water Infrastructure Act of 2017 Lead Service Line Replacement Program (LSLRP) to facilitate the replacement of lead service lines. This reimbursement program has been extended through February 2024. During the year there were 149 main to curb service lines replaced or added for a total cost of \$220,767; 145 of these service line replacements were lead service lines which were upgraded to copper. The total grant revenue received through the NYS LSLRP during 2023 was \$201,498 and at December 31, 2023 there is an outstanding grant receivable of \$355,650.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS, Cont'd

FOR THE YEAR ENDED DECEMBER 31, 2023

Throughout the year the Company also had the following capital expenditures: the replacement of 17 large meters (1 ½" to 8") for a total cost of \$37,234; the replacement of two (2) pickup trucks for a total cost of \$93,000; the purchase of a 6-ton asphalt hot box for \$62,994; a valve turner machine for \$74,461; a John Deere utility tractor (with implements) for \$69,217; parking lot repairs/repaving for a total cost of \$68,730; and the main lining of the pipe at the Coagulation Basin for \$149,750.

Financial Statements:

The Statement of Activities and Change in Net Position present information showing the change in the Company's net position during the most recent fiscal year end December 31, 2023. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement include all items that will result in cash received or disbursed in future fiscal periods. For example, the receipts due from customers, or the payment accrued for accumulated vacation days.

The Statement of Cash Flows provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing, and investing activities.

Current Assets and Liabilities

Current assets include cash and cash equivalents, accounts receivable and inventory. Accounts receivable includes amounts due from customers. Current liabilities include accounts payable, accrued expenses, interest payable, deferred revenues, and the current portion (due within one year) of long-term liabilities.

Accounts payable are amounts due to vendors and other agencies. Accrued liabilities include accrued payroll, payroll taxes, and other payroll related liabilities such as accumulated sick and vacation.

Capital Assets, Net

The Company had been recording depreciation on its capital assets prior to implementing GASB Statement No. 34 at a rate of approximately 2% per year. As a result of the GASB pronouncement, the Company began recording depreciation on its capital assets at rates specific to each individual asset over its useful life, rather than applying a blanket rate to all capital assets.

Depreciation expense on capital assets for the years ended December 31, 2023 and 2022 was \$1,256,827 and \$1,258,077, respectively.

The Company continues to replace/rehabilitate water mains, valves, hydrants, and service lines throughout our entire distribution system. Larger capital projects of this nature are sometimes funded by bonding, which is issued by the City of Elmira on behalf of the Elmira Water Board.

Construction in progress on December 31, 2022 represents the expenditure of funds during the 2022 fiscal year for a pump and motor assembly for the West Elmira booster station, office furniture and computers, which were placed in service during 2023.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS, Cont'd

FOR THE YEAR ENDED DECEMBER 31, 2023

Noncurrent Liabilities

Noncurrent liabilities consist of the long-term portion of debt related to the Elmira Water Board facilities. Included in long-term debt are obligations of the State of New York. Other long-term liabilities include other postretirement benefits payable and compensated absences payable (sick and vacation accruals to be paid upon departure).

Description of Expenses

- **Source of supply** includes activities related to the maintenance and operation of the raw water supply system.
- **Power and pumping** reflects activities related to powering and pumping of the water supply.
- **Purification** includes activities related to treatment and purification of the water supply.
- **Distribution** includes activities related to getting the water supply to the consumer.
- **Cost of other customer services** includes minor expenses not related to other functional categories.
- **Billing and collection** represents all support functions related to meter reading, billing, and collection of water revenues.
- **Administration and general** represents activities related to finance, personnel, and administrative functions.
- **Real estate taxes** represent property taxes paid on properties owned by the Elmira Water Board.
- **Depreciation** represents the cost/use of equipment, machinery and other properties in operations during the year.

Non-operating Revenues and Expenses

These amounts represent interest and bond administration payments on outstanding debt, interest income received on accounts at the Company's financial institution and the gain/loss on the disposal of capital assets.

Looking Forward:

The Company will continue to replace/rehabilitate mains, valves, services and hydrants throughout the distribution system. In addition, the Company is implementing a new Automated Meter Reading (AMR and AMI) technology. This type of technology has the potential for significant savings in the labor and equipment categories of expenses. The Company is also continuing to work on the replacement of lead service lines throughout its distribution system.

Contacting the Elmira Water Board's Financial Management:

For further information, contact Ms. Alyssa L. Melens, General Manager, at 261 West Water Street, Elmira, New York 14901.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

STATEMENTS OF NET POSITION

<u>ASSETS AND DEFERRED OUTFLOWS</u>	December 31,	
	2023	2022
<u>CURRENT ASSETS</u>		
Cash	\$ 6,665,747	\$ 7,009,691
Restricted cash	1,260,943	1,367,150
Accounts receivable, net of allowance for credit losses of \$35,000	1,455,364	1,266,856
Inventories	<u>1,566,565</u>	<u>910,141</u>
TOTAL CURRENT ASSETS	10,948,619	10,553,838
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Prepaid expenses	277,034	294,235
Related to postemployment benefits	158,817	218,875
Related to pensions	2,084,770	2,140,109
Related to bond refunding	<u>3,160</u>	<u>4,301</u>
	2,523,781	2,657,520
 <u>OTHER ASSETS</u>		
Net pension asset	-	701,341
Capital assets, net of accumulated depreciation	<u>33,581,770</u>	<u>33,585,022</u>
	33,581,770	34,286,363
	\$ 47,054,170	\$ 47,497,721

The accompanying notes are an integral part of the financial statements.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

STATEMENTS OF NET POSITION, Cont'd

<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	December 31,	
	2023	2022
<u>CURRENT LIABILITIES</u>		
Current portion of long-term debt	\$ 443,120	\$ 456,543
Accounts payable	161,251	121,110
Accrued expenses	37,000	39,000
Accrued compensation and related liabilities	60,432	57,948
Accrued interest payable	13,312	16,589
Compensated absences payable	335,757	378,224
TOTAL CURRENT LIABILITIES	1,050,872	1,069,414
<u>LONG-TERM LIABILITIES</u>		
Net postemployment benefits liability	1,867,312	2,132,618
Net pension liability	1,987,400	-
Long-term debt	1,104,014	1,565,489
Compensated absences payable	415,280	365,085
	5,374,006	4,063,192
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to pensions	552,710	2,973,717
Related to postemployment benefits	234,470	54,854
	787,180	3,028,571
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	32,034,636	31,562,990
Restricted for capital improvement	285,529	284,274
Unrestricted	7,521,947	7,489,280
	39,842,112	39,336,544
	\$ 47,054,170	\$ 47,497,721

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION

	Year ended December 31,	
	2023	2022
Operating revenues:		
Water sales	\$ 8,217,113	\$ 8,319,936
Other customer services and revenues	1,084,585	939,124
TOTAL OPERATING REVENUES	9,301,698	9,259,060
Operating expenses:		
Source of supply	81,938	165,273
Power and pumping	989,062	1,033,752
Purification	995,123	897,170
Distribution	1,973,589	1,702,890
Cost of other customer services	184,515	177,912
Billing and collection	758,283	677,458
Administration and general	2,324,952	1,766,459
Real estate taxes	225,510	243,830
Depreciation	1,256,827	1,258,077
TOTAL OPERATING EXPENSES	8,789,799	7,922,821
OPERATING INCOME	511,899	1,336,239
Non-operating revenues (expenses):		
Interest income	87,691	15,636
Loss on disposal of capital assets	(51,871)	(44,231)
Interest and bond expense	(42,151)	(52,842)
TOTAL NON-OPERATING EXPENSES	(6,331)	(81,437)
CHANGE IN NET POSITION	505,568	1,254,802
Net position at beginning of year	39,336,544	38,081,742
NET POSITION AT END OF YEAR	\$ 39,842,112	\$ 39,336,544

The accompanying notes are an integral part of the financial statements.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2023	2022
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Receipts from services	\$ 9,113,190	\$ 9,389,573
Payments to suppliers and employees	(7,826,401)	(7,168,672)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	1,286,789	2,220,901
 <u>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Interest income received	87,691	15,636
Proceeds on disposal of capital assets	30,500	-
Purchase and construction of capital assets, net of trade in allowance	(1,335,946)	(710,470)
Payment of bond principal	(456,543)	(447,309)
Payment of bond interest and administrative fees	(62,642)	(75,626)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(1,736,940)	(1,217,769)
NET CHANGE IN CASH AND RESTRICTED CASH	(450,151)	1,003,132
Cash and restricted cash at beginning of year	8,376,841	7,373,709
CASH AND RESTRICTED CASH AT END OF YEAR	\$ 7,926,690	\$ 8,376,841

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

STATEMENTS OF CASH FLOWS, Cont'd

	Year ended December 31,	
	2023	2022
<u>RECONCILIATION OF CHANGE IN NET POSITION TO NET</u>		
<u>CASH PROVIDED FROM OPERATING ACTIVITIES:</u>		
Change in net position	\$ 505,568	\$ 1,254,802
Adjustments to reconcile change in net position to net cash provided from operating activities:		
Interest income	(87,691)	(15,636)
Depreciation	1,256,827	1,258,077
Loss on disposal of capital assets	51,871	44,231
Interest and bond expense	42,151	52,842
Provision for credit losses	4,705	305
Change in assets and liabilities:		
Accounts receivable	(193,213)	130,208
Inventories	(656,424)	(263,813)
Prepaid expenses	17,201	13,912
Deferred outflows related to postemployment benefits	60,058	121,675
Deferred outflows related to pensions	55,339	95,151
Net pension asset	701,341	(701,341)
Accounts payable	40,141	3,464
Accrued expenses	(2,000)	18,114
Accrued compensation and related liabilities	2,484	4,925
Deferred inflows related to pensions	(2,421,007)	287,497
Deferred inflows related to postemployment benefits	179,616	30,730
Compensated absences payable	7,728	(5,113)
Net postemployment benefits liability	(265,306)	(100,018)
Net pension liability	1,987,400	(9,111)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 1,286,789	\$ 2,220,901

The accompanying notes are an integral part of the financial statements.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE A: THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of reporting

Elmira Water Board (the “Company”) is a local water company which provides water to various communities in the County of Chemung, New York. The Company is an enterprise fund of the City of Elmira, New York (the “City”). The City has proprietary interest in all assets and the responsibility for all obligations of the Company. The Company’s accounts are segregated into a separate enterprise fund.

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Revenue recognition

Revenues are recorded when billed. Residential and smaller accounts are billed bi-monthly, and all other customers are billed monthly.

Cash and restricted cash

For purposes of cash flow reporting, cash includes cash from operations and restricted cash. Collateral is required for cash balances not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies or obligations of New York State or its municipalities. At December 31, 2023 and 2022, the Company’s cash balances were FDIC insured or collateralized with securities held by the pledging financial institution in the Company’s name.

Accounts receivable and allowance for credit losses

Accounts receivable are stated at the amount management expects to collect from outstanding balances. At each statement of net position date, the Company recognizes an expected allowance for credit losses. The allowance is updated at each statement of net position date to reflect any changes in credit risk since the receivable was initially recorded. The allowance for credit losses is calculated on a pooled basis where similar risk characteristics exist.

The allowance for credit losses is derived from a review of the Company’s historical losses based on the aging of receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. The Company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Company’s customer demographics have remained constant. However, due to various economic factors, the Company could see higher than expected credit losses than have been incurred in the past.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance for credit losses and a credit to the applicable accounts receivable. If any recoveries are made from any accounts previously written off, they will be recognized as an offset to credit loss expense in the year of recovery. There were write offs of \$4,705 during the year ended December 31, 2023.

Inventories

Inventories, consisting of supplies, parts and gasoline, are stated at the lower of cost and net realizable value.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE A: THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Pensions

For purposes of measuring net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Employees' Retirement System ("the System") and additions to/deductions from the System's net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other postemployment benefits (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Company's plan has been supplied to an actuary for determination of those amounts. The Company operates the OPEB plan on a pay-as-you-go basis.

Capital assets

Capital assets are stated on the basis of cost. Expenditures for renewals and betterments are capitalized while expenditures for repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflected in operations. Depreciation is computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to one hundred seven years.

Use of estimates in the preparation of financial statements

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

Adoption of new accounting standard – credit losses

In June 2016 the FASB issued guidance (FASB ASC 326) which changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Company adopted the standard effectively January 1, 2023. The impact of adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Subsequent events

The Company has conducted an evaluation of potential subsequent events occurring after the statement of net position date through April 18, 2024, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

ELMIRA WATER BOARD
 (An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE B: RESTRICTED CASH

Restricted cash represents unspent note proceeds and funds set aside for future capital expenditures, debt service, and retirement or postemployment benefit contributions. Certain restricted cash funds are restricted by grantors or by law through the Company's charter. At December 31, 2023 and 2022, these amounts totaled \$285,528 and \$284,273, respectively, and were recorded as net assets restricted for capital improvement on the statements of net position. Restricted cash balances consist of the following:

	December 31,	
	2023	2022
Water System Improvement Fund	\$ -	\$ 2,197
New York State Employee's Retirement Reserve Fund	357,635	394,917
Employee Benefit Reserve Fund	124,893	194,622
Capital Reserve Fund	285,528	282,076
Debt Service Fund	492,887	493,338
	\$ 1,260,943	\$ 1,367,150

NOTE C: ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses for resident accounts receivable at December 31, 2023 is as follows:

Beginning balance	\$ 35,000
Provision for expected credit losses	(4,705)
Write-offs	4,705
Recoveries	-
Ending balance	\$ 35,000

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE D: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 follows:

	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Non-depreciable capital assets:				
Land	\$ 510,227	\$ -	\$ -	\$ 510,227
Construction in process	34,581	333,414	(367,995)	-
TOTAL NON-DEPRECIABLE CAPITAL ASSETS	544,808	333,414	(367,995)	510,227
Depreciable capital assets:				
Source of supply	4,351,845	169,849	-	4,521,694
Power and pumping	4,171,644	51,314	-	4,222,958
Purification and treatment	16,132,839	37,427	(52,124)	16,118,142
Distribution	37,270,404	878,146	(336,118)	37,812,432
Other	4,454,838	256,618	(266,931)	4,444,525
TOTAL DEPRECIABLE CAPITAL ASSETS	66,381,570	1,393,354	(655,173)	67,119,751
Less accumulated depreciation for:				
Source of supply	(2,279,938)	(73,001)	(20,099)	(2,373,038)
Power and pumping	(3,500,705)	(64,790)	(2,727)	(3,568,222)
Purification and treatment	(11,601,651)	(303,636)	48,832	(11,856,455)
Distribution	(13,326,433)	(605,176)	301,164	(13,630,445)
Other	(2,632,629)	(210,224)	222,805	(2,620,048)
TOTAL ACCUMULATED DEPRECIATION	(33,341,356)	(1,256,827)	549,975	(34,048,208)
CAPITAL ASSETS, NET	<u>\$ 33,585,022</u>	<u>\$ 469,941</u>	<u>\$ (473,193)</u>	<u>\$ 33,581,770</u>

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE E: LONG-TERM DEBT

Long-term debt of the Company is summarized as follows:

	<u>Year ended</u>		<u>December 31,</u>	
	<u>December 31, 2023</u>		<u>2023</u>	<u>2022</u>
	<u>Interest</u>	<u>Principal</u>	<u>Amount</u>	<u>Amount</u>
	<u>payments</u>	<u>payments</u>		
<u>Bonds payable:</u>				
Bond payable in annual installments of \$110,000 through November 2024 plus interest varying from 4.795% to 4.865%, payable semi-annually.	\$ 456	\$ 105,000	\$ 110,000	\$ 215,000
Bond payable in annual installments varying from \$130,000 to \$155,000 through August 2027 plus interest varying from 3.375% to 5.00%, payable semi-annually. (Refinanced in 2014)	28,994	125,000	565,000	690,000
Bond payable in annual installments of \$35,000 through November 2024 plus interest at 6.18%, payable semi-annually. (Refinanced in 2012)	459	35,000	35,000	70,000
Refunded bond payable in annual installments varying from \$96,000 to \$129,600 through May 2029 plus interest at 4.00%, payable semi-annually.	28,252	110,800	678,600	789,400
Bond payable in annual installments varying from \$53,120 to \$54,560 through May 2025 plus interest varying from 2.00% to 2.13%, payable semi-annually.	<u>2,812</u>	<u>52,380</u>	<u>107,680</u>	<u>160,060</u>
Total bonds payable	60,973	428,180	1,496,280	1,924,460
<u>Direct borrowings:</u>				
Finance lease paid in 2023. (1)	<u>1,356</u>	<u>28,363</u>	<u>-</u>	<u>28,363</u>
Total direct borrowings	<u>1,356</u>	<u>28,363</u>	<u>-</u>	<u>28,363</u>
Total principal and interest	<u>\$ 62,329</u>	<u>\$ 456,543</u>		
Total bonds payable and direct borrowings			1,496,280	1,952,823
Add unamortized bond premium			50,854	69,209
Less current portion			<u>(443,120)</u>	<u>(456,543)</u>
			<u>\$ 1,104,014</u>	<u>\$ 1,565,489</u>

ELMIRA WATER BOARD
 (An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE E: LONG-TERM DEBT, Cont'd

(1) The finance lease was for the right to use certain equipment acquired in 2020 which is included in other depreciable capital assets in the statement of net position in the amount of \$126,267 at December 31, 2023 and 2022. Accumulated depreciation amounted to \$63,133 and \$45,095 for the years ended December 31, 2023 and 2022, resulting in a net book value is \$63,134 and \$81,172, respectively.

The following is a schedule of maturities of debt:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 443,120	\$ 56,827
2025	308,760	37,808
2026	267,800	25,639
2027	284,600	15,697
2028	96,000	5,760
Thereafter	<u>96,000</u>	<u>1,920</u>
	<u>\$ 1,496,280</u>	<u>\$ 143,651</u>

Certain bonds provide for subsidized interest payments. Escrow accounts earn interest which is used to reduce interest payments. The schedule of maturities above does not include this interest subsidy.

The proceeds of the advance refunding of certain bonds were placed in escrow accounts with a trust agent and used to purchase securities to meet all debt service requirements of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts were not included in the accompanying financial statements as the Company defeased its obligations for payment of the refunded debt upon completion of the refunding transactions. At December 31, 2023, refunded bond issues and the related principal payable from escrow amounted to \$738,000.

NOTE F: EMPLOYEE BENEFIT PLAN

Plan description

The Company participates in the New York State and Local Employees' Retirement System ("the System"). This is a cost-sharing, multiple-employer defined benefit pension plan. The net position of the System is 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 System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE F: EMPLOYEE BENEFIT PLAN, Cont'd

Benefits provided

The system provides retirement benefits, as well as death and disability benefits. Eligibility is based on Tier membership and years of service.

Retirement

Generally, the retirement benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of services, the retirement benefit increases depending on Tier membership. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years. For Tier 6 members, each year used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) System recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE F: EMPLOYEE BENEFIT PLAN, Cont'd

Contributions

The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The pension contribution for the years ended December 31, 2023 and 2022 amounted to \$354,445 and \$300,112, respectively.

Pension plan fiduciary net position

The components of the current-year net pension liability (asset) of the employers as of the respective measurement dates, were approximately as follows:

Measurement date	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Employers' total pension liability	\$ 232,627,259,000	\$ 223,874,888,000
Plan net position	<u>(211,183,223,000)</u>	<u>(232,049,473,000)</u>
Employers' net pension liability (asset)	<u>\$ 21,444,036,000</u>	<u>\$ (8,174,585,000)</u>
 Ratio of plan net position to the employers' total pension liability	 90.78%	 103.65%

Actuarial assumptions

The total pension liability (asset) for the March 31, 2023 and 2022 measurement dates was determined by using an actuarial valuation as of April 1, 2022 and 2021, respectively, with updated procedures used to roll forward the total pension liability (asset) to March 31, 2023 and 2022, respectively. The following actuarial assumptions were used in the valuation as of March 31, 2023 and 2022:

Actuarial cost method	Entry age normal
Inflation	2.9%
Salary scale	4.4%
Investment rate of return	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.5% annually
Decrement	Based upon FY 2016-2020 experience
Mortality improvement	Society of Actuaries' Scale MP-2021

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE F: EMPLOYEE BENEFIT PLAN, Cont'd

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Long-term expected real rate of return
Domestic equity	32 %	4.30%
International equity	15	6.85%
Private equity	10	7.50%
Real estate	9	4.60%
Opportunistic portfolio	3	5.38%
Credit	4	5.43%
Real assets	3	5.84%
Fixed income	23	1.50%
Cash equivalents	1	0.00%
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.5%.

Discount rate

The discount rate used to calculate the total pension liability (asset) at March 31, 2023 and 2022 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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the net pension liability (asset) to the discount rate assumption

The following presents the current-period net pension liability of the Company calculated using the discount rate of 5.9%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9%) or 1-percentage-point higher (6.9%) than the current rate at the March 31, 2023 measurement date:

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE F: EMPLOYEE BENEFIT PLAN, Cont'd

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Company's proportionate share of the Net Pension Liability (Asset)	\$ 4,802,693	\$ 1,987,400	\$ (365,105)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2023 and 2022, the Company reported a liability and asset of \$1,987,400 and (\$701,341) respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2023 and 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of April 1, 2022 and 2021. The Company's proportion of the net pension liability (asset) was based on a projection of the Company's long-term share of contributions to the pension plan relative to the projected contributions of the City of Elmira, New York, actuarially determined. At December 31, 2023 and 2022, the Company's proportion was 43% and 48%, respectively.

For the years ended December 31, 2023 and 2022, the Company recognized pension expense of \$352,518 and \$20,241, respectively. The Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31,			
	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,674	\$ 55,814	\$ 53,113	\$ 68,892
Changes in assumptions	965,209	10,667	1,170,460	19,750
Net difference between projected and actual earnings on pension plan investments	-	11,676	-	2,296,598
Changes in proportion and differences between Company contributions and proportionate share of contributions	553,442	474,553	616,424	588,477
Company contributions subsequent to the measurement date	354,445	-	300,112	-
	\$ 2,084,770	\$ 552,710	\$ 2,140,109	\$ 2,973,717

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE F: EMPLOYEE BENEFIT PLAN, Cont'd

Deferred outflows of resources related to pensions resulting from Company contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,

2024	\$ 280,822
2025	(83,647)
2026	424,327
2027	556,112
	\$ 1,177,614

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan description

The Company provides medical coverage to eligible employees, retirees and dependents through a choice of four community rated health plans with Excellus Blue Cross Blue Shield. The benefits of each are outlined in the table below:

Benefits provided

	<u>Platinum 6</u>	<u>Gold 6</u>	<u>Silver 2</u>	<u>Bronze 4</u>
Deductible	None	\$1,800 / \$3,600	\$3,600 / \$7,200	\$6,550 / \$13,100
Coinsurance	None	80%	75%	100%
Out-of-Pocket Maximum	\$6,550 / \$13,100	\$3,600 / \$7,200	\$6,750 / \$13,500	\$7,500 / \$15,000
30 Day Rx Supply	\$5 / \$35 / \$70	\$5 / \$45 / \$90	\$5 / \$45 / \$90	Deductible & Coinsurance

To assist in meeting the deductible, the Company makes contributions into a Health Savings Account (HSA) for each member who enrolls in one of the high deductible health plans (Gold 6, Silver 2 and Bronze 4). The Company contributes \$1,400 / \$2,800 for Gold 6 enrollees, \$2,000 / \$4,000 for Silver 2 enrollees and \$3,450 / \$6,850 for Bronze 4 enrollees.

Dental and vision coverage is also provided to pre-65 retirees.

Eligibility

All members hired prior to January 1, 2018 may retire from the Company with a minimum age of fifty-five (55) and a minimum of five (5) years of state retirement eligible service in order to be eligible for postemployment healthcare benefits.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

All members hired on/after January 1, 2018 may retire from the Company with a minimum age of fifty-five (55) and a minimum of ten (10) consecutive years of service with the Company in order to be eligible for postemployment healthcare benefits. Retirees shall be eligible to select coverage of individual, self plus dependent, self plus child(ren) and family plan, however once a retiree or their dependent becomes eligible for Medicare or Medicaid, whichever comes first, the Company is no longer obligated to provide health care coverage for the retiree, spouse or dependent.

Contributions

Eligible retirees receive medical coverage from the Company until the retiree attains Medicare or Medicaid eligibility, whichever occurs first. For retirees hired prior to January 1, 2018 the Company contributes 75% of the applicable plan premium until the retiree attains age 60, at which point the Company will provide 100% coverage. For retirees hired on / after January 1, 2018 the Company contributes 75% of the applicable plan premium for the duration of the coverage period.

Employees covered by benefit terms

The following employees were covered by the benefit terms:

	<u>January 1,</u>	
	<u>2023</u>	<u>2022</u>
Inactive employees or beneficiaries currently receiving benefit payments	25	25
Active employees	<u>42</u>	<u>42</u>
	<u>67</u>	<u>67</u>

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

Actuarial methods and assumptions

The total other postemployment benefit (OPEB) liability for the January 1, 2023 measurement date was determined by using an actuarial valuation as of January 1, 2022 with actuarial roll forward techniques to calculate the results as of the measurement date. The total OPEB liability for the January 1, 2022 measurement date was determined by using an actuarial valuation as of January 1, 2022. The following actuarial assumptions were used in the valuation applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Discount Rate	3.72%, as of January 1, 2023 2.06%, as of January 1, 2022
Salary Scale	3%
Rate of Inflation	2.5%, as of January 1, 2023 2.5%, as of January 1, 2022
Mortality	The Pub-2010 Mortality Table sex distinct and job category-specific, headcount weighted and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Turnover & Retirement Incidence	Rates of decrement due to turnover based on the experience under the New York State Employees' Retirement System (ERS). The ERS and PFRS rates are based on the experience study released by the Retirement Systems Actuary and published in their August 2020 Report.

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

Medical Trend	To Fiscal Year Ending	Trend
	2024	7.00%
	2025	6.50%
	2026	6.00%
	2027	5.20%
	2028	5.16%
	2033	4.97%
	2038	4.97%
	2043	4.78%
	2053	4.62%
	2063	4.53%
	2073	4.15%
	2083	3.94%
	2093	3.94%

The above trend rates were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model (2022). The short term (first 4 years) trend rates were based on the recent premium rate history for the Company. The long-term (after 4 years) trend rates were based on the following assumptions:

- Rate of Inflation: 2.5%
- Rate of Growth in Real Income/GDP per capita: 1.4%
- Extra Trend due to Technology and other factors: 1.0%
- Health Share of GDP Resistance Point: 20%

Dental/Vision Trend

2%

Election Percentage

Upon retirement it is assumed that eligible employees will elect to participate in the Company's OPEB plan at the following rates:

Participation Group	% Electing Coverage
Retiree	100%
Retiree's Spouse	85%
Surviving Spouse	0%

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

Health Plan Election

It has been assumed for this valuation that future retirees will enroll in the Company's medical plans at the following rates:

<u>Plan</u>	<u>% Electing Coverage</u>
Gold 6	70%
Platinum 6	5%
Bronze 4	25%
Silver 17	0%

Marriage Rate

It is assumed that 70% of retirees will be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female.

Morbidity

Based on results from Table 5 of "Health Care Costs - From Birth to Death" by Dale Yamamoto, part of the Health Care Cost Institutes Independent Report Series, June 2013.

Per Capita Costs

The Company provides four community rated plans to all pre 65 actives and retirees. Age-adjusted premiums, including administrative fees, were used to calculate the actuarial accrued liability.

Discount rate

The discount rate used to calculate the total OPEB liability was 3.72% and 2.06% as of January 1, 2023 and 2022, respectively. With a pay-as-you-go funded plan the discount rate is calculated using a yield index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the total OPEB liability

	<u>Year ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 2,132,618	\$ 2,232,636
<u>Changes for the year:</u>		
Service cost	104,656	91,675
Interest	44,386	47,270
Differences between expected and actual experience	-	(67,187)
Changes in assumptions and other inputs	(249,140)	17,444
Benefit payments	(165,208)	(189,220)
	(265,306)	(100,018)
Balance at end of year	\$ 1,867,312	\$ 2,132,618

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% on January 1, 2022 to 3.72% on January 1, 2023.

Sensitivity of the total OPEB liability to changes in the discount rate assumption

The following presents the Total OPEB Liability of the Company, as well as what the Company's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.72%) or 1-percentage point higher (4.72%) than the current discount rate:

	1% Decrease 2.72%	Current 3.72%	1% Increase 4.72%
Total OPEB Liability	\$ 1,995,824	\$ 1,867,312	\$ 1,746,582

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Company, as well as what the Company's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 1,682,036	\$ 1,867,312	\$ 2,083,625

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits

At December 31, 2023 and 2022 the Company reported a liability of \$1,867,312 and \$2,132,618, respectively. The net OPEB Liability is equal to the total OPEB liability minus the fiduciary net position. Since the Company operates the OPEB Plan on a pay-as-you-go basis the Fiduciary Net Position is \$0. The net OPEB liability was measured as of January 1, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 with update procedures used to roll forward the total OPEB liability to January 1, 2023.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

For the years ended December 31, 2023 and 2022 the Company recognized OPEB expense of \$118,596 and \$217,595, respectively. The calculation of the OPEB expense for the following measurement periods ending January 1, 2023 and 2022 is shown in the following table:

	Measurement period ending	
	January 1,	
	2023	2022
Service Cost	\$ 104,656	\$ 91,675
Interest on the total OPEB Liability	44,386	47,270
Expensed portion of current-period difference between expected and actual experience in the total OPEB Liability	-	(15,661)
Expensed portion of current-period changes of assumptions	(50,535)	4,066
Recognition of beginning deferred outflows of resources as OPEB expense	39,078	111,041
Recognition of beginning deferred inflows of resources as OPEB expense	(18,989)	(20,796)
	\$ 118,596	\$ 217,595

For the years ended December 31, 2023 and 2022, the Company reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31,			
	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35,865	\$ 6,189	\$ 51,526
Changes of assumptions or other inputs	14,589	198,605	47,478	3,328
Company contributions subsequent to the measurement date	144,228	-	165,208	-
	\$ 158,817	\$ 234,470	\$ 218,875	\$ 54,854

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2023 AND 2022

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

The amortization period for the beginning of the measurement period is 4.93 years for the average expected remaining service life of members. 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 ended December 31,</u>	<u>Amount</u>
2024	\$ (56,853)
2025	(62,130)
2026	(53,898)
2027	<u>(47,000)</u>
	<u>\$ (219,881)</u>

NOTE H: LEGAL CONTINGENCIES

The Company is a party to various legal actions arising in the ordinary course of business, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to the financial condition of the Elmira Water Board.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

OTHER FINANCIAL INFORMATION

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

SCHEDULE OF THE COMPANY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

	Year ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Company's proportion of the net pension liability of the City of Elmira, NY	43%	48%	53%	53%	52%	52%	43%	33%	34%	
Company's proportionate share of the net pension liability (asset)	\$ 1,987,400	\$ (701,341)	\$ 9,111	\$ 2,357,035	\$ 634,396	\$ 278,322	\$ 833,377	\$ 1,386,640	\$ 299,059	
Company's covered payroll	\$ 3,005,911	\$ 2,867,088	\$ 2,757,332	\$ 2,788,133	\$ 2,685,437	\$ 2,634,199	\$ 2,497,273	\$ 2,349,599	\$ 2,218,205	
Company's proportionate share of the net pension liability as a percentage of its covered-employee payroll	66.1%	-24.5%	0.3%	84.5%	23.6%	10.6%	33.4%	59.0%	13.5%	
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.68%	97.95%	

Historical information:

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

The amounts presented for each fiscal year were determined as of the System's measurement

ELMIRA WATER BOARD
 (An Enterprise Fund of the City of Elmira, New York)

SCHEDULE OF COMPANY CONTRIBUTIONS – PENSION

	Year ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually required contribution	\$ 354,445	\$ 300,112	\$ 412,660	\$ 367,218	\$ 356,432	\$ 347,826	\$ 336,119	\$ 355,615	\$ 368,411	
Contribution in relation to the contractually required contribution	<u>354,445</u>	<u>300,112</u>	<u>412,660</u>	<u>367,218</u>	<u>356,432</u>	<u>347,826</u>	<u>336,119</u>	<u>355,615</u>	<u>368,411</u>	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Company's covered-employee payroll	\$ 3,005,911	\$ 2,867,088	\$ 2,757,332	\$ 2,788,133	\$ 2,685,437	\$ 2,634,199	\$ 2,497,223	\$ 2,349,599	\$ 2,218,205	
Contributions as a percentage of covered-employee payroll	11.8%	10.5%	15.0%	13.2%	13.3%	13.2%	13.5%	15.1%	16.6%	

Historical information:
 10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

The amounts presented for each fiscal year were determined as of the fiscal year end.

ELMIRA WATER BOARD
(An Enterprise Fund of the City of Elmira, New York)

SCHEDULE OF CHANGES IN THE COMPANY'S TOTAL
OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

	Year ended December 31,					
	2023	2022	2021	2020	2019	2018
Service cost	\$ 104,656	\$ 91,675	\$ 83,773	\$ 81,362	\$ 94,241	\$ 50,018
Interest	44,386	47,270	60,268	85,878	76,955	48,233
Changes of benefit terms	-	-	-	-	-	(39,730)
Differences between expected and actual experience	-	(67,187)	-	94,599	-	295,460
Changes of assumptions or other inputs	(249,140)	17,444	80,652	56,546	(86,512)	714,138
Benefit payments	(165,208)	(189,220)	(215,715)	(215,872)	(212,724)	(89,829)
Net change in total OPEB liability	(265,306)	(100,018)	8,978	102,513	(128,040)	978,290
Total OPEB liability - beginning of year	2,132,618	2,232,636	2,223,658	2,121,145	2,249,185	1,270,895
Total OPEB liability - end of year	<u>\$ 1,867,312</u>	<u>\$ 2,132,618</u>	<u>\$ 2,232,636</u>	<u>\$ 2,223,658</u>	<u>\$ 2,121,145</u>	<u>\$ 2,249,185</u>
Company's covered-employee payroll	\$ 3,005,911	\$ 2,867,088	\$ 2,757,332	\$ 2,788,133	\$ 2,685,437	\$ 2,634,199
Total OPEB liability as a percentage of covered-employee payroll	62.1%	74.4%	81.0%	79.8%	79.0%	85.4%

Notes to schedule:

Changes in assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect at the applicable year's measurement date is as follows:

2023 - 3.72% , 2022 - 2.06%, 2021 - 2.12%, 2020 - 2.74%, 2019 - 4.10%, and 2018 - 3.44%.

Historical information:

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Elmira Water Board Organizational Structure

