



Elmira Water Board 2025 Annual Report

Elmira Water Board Directory

Alyssa L. Melens, General Manager

(607) 733-9179

Main Office

Monday Through Friday 8:30 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

To find out more about the
Elmira Water Board, visit us at our
Website

www.elmirawaterboard.org

or email us at

dmullaney@elmirawaterboard.org



Martin D. Chalk, President



M. Robby Robertson, Vice President

COMMISSIONERS



Robert L. Briggs



Thomas E. Ramich



Steven McNamara

The Elmira Water Board

President	Term
Martin D. Chalk	2024-2029

Vice President	Term
M. Robby Robertson	2022-2027

Commissioners	Term
Robert L. Briggs	2021-2026
Thomas E. Ramich	2023-2028
Steven McNamara	2025-2030

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 concluded 2025 with expenditures at 91% of the approved budget and revenues at 87% of projections.

Several factors contributed to variations in expenditures throughout the year. A number of budgeted items came in below expectations due to lower-than-anticipated costs, employee turnover, and conservative budgeting practices. These included employee health insurance, training, IT support, blacktopping, and depreciation. These savings were partially offset by increased utility expenses, as gas and electricity rates continued to rise. Additionally, certain expenses—such as consulting services and materials—were below budget due to the timing of associated projects.

Revenue fluctuations were primarily attributable to lower-than-anticipated grant funding, also related to project timing. This shortfall was partially offset by increased commercial customer billings and funds received through a PFAS class action settlement involving manufacturers of per- and polyfluoroalkyl substances (PFAS). These settlement proceeds are designated to support ongoing monitoring, treatment, and regulatory compliance efforts within the water system.

Our staff understands its obligation to be conscientious of all spending, which is closely monitored throughout the year. Looking ahead, we remain committed to upholding fiscal responsibility in all that we do.

Capital spending details are in the Board’s “Letter to the Mayor” attached to this annual report.

Staff Changes:

The following new hires, promotions and retirements occurred during 2025.

We welcomed Benjamin O’Hara and Michael Rich as a Water Treatment Plant Operator – Trainees at the Filter Plant; Jordan Lucas, Jaran Reid and Trenton Sindoni joined the Elmira Water Board all as Laborers in the Maintenance Department and Zoe Ward joined the Meter Department as a Maintenance Mechanic.

Promotions

Within the Maintenance Department, Matt Sayers was promoted to Maintenance Superintendent after serving approximately four years as Working Supervisor and bringing more than 25 years of service to the Water Board. Additionally, Jordan Lucas was promoted from Laborer to Maintenance Mechanic.

Congratulations to Nick Koski for completing his training through GST BOCES and earning his CDL, Class A License. Nick successfully finished a 20-hour online course and logged 40 hours of driving time before passing the driving portion of the test. Since obtaining his CDL, Nick was promoted to Maintenance Mechanic from Laborer, and he was later promoted to Skilled Mechanic.

Also, congratulations to Mike Arnold from the Filter Plant for completing his online coursework and obtaining his Water Treatment Plant Operator, Class 2A license. To earn the 2A license, Operators must have at least 1 year of experience at the time of certification by the Health Department.

Retirements

Henry Ducot retired in August 2025 after 28 years of service with the Elmira Water Board. He started his career in August 1997 as a Meter Reader in the Meter Department. In May 2006, Henry transitioned to the Maintenance Department as Maintenance Mechanic, MEO (Motor Equipment Operator) III and then MEO II. He remained in the MEO II position until he was promoted to Maintenance Superintendent in April 2021, a role he held until his retirement.

Chris Squires also retired in 2025. He began his career during February 1992 as a Water Treatment Plant Operator-Trainee, in December 1997, he became a permanent Water Treatment Plant Operator. He then transferred to the Maintenance Department as a MEO III (Motor Equipment Operator) in January 2005 and MEO II in December 2009. In August 2012 he transferred back to the Filter Plant and during his tenure, he earned his Water Treatment

Plant Operator, Class 2A license. After years of dedicated service, Chris obtained his Water Treatment Plant Operator, Class 1A license in August 2015 and worked in that capacity until retirement.

Congratulations to Henry and Chris, who collectively contributed an impressive total of 61 years of service. As they embark on this well-deserved next chapter, we extend our gratitude for their dedication and valuable contributions to the Elmira Water Board. Congratulations to you all!

Board of Commissioner Changes:

In June 2025, Steven McNamara was elected to the EWB's Board of Commissioners. In June, he was elected to the Board with the most votes and won the 5-year term from June 2025 to June 2030. Steve filled Danny Gray's seat after Danny decided to retire from the Board after serving two five-year terms. Thank you Danny, for your dedicated service to the Elmira Water Board as an employee and as a Commissioner.



Alyssa L. Melens
General Manager

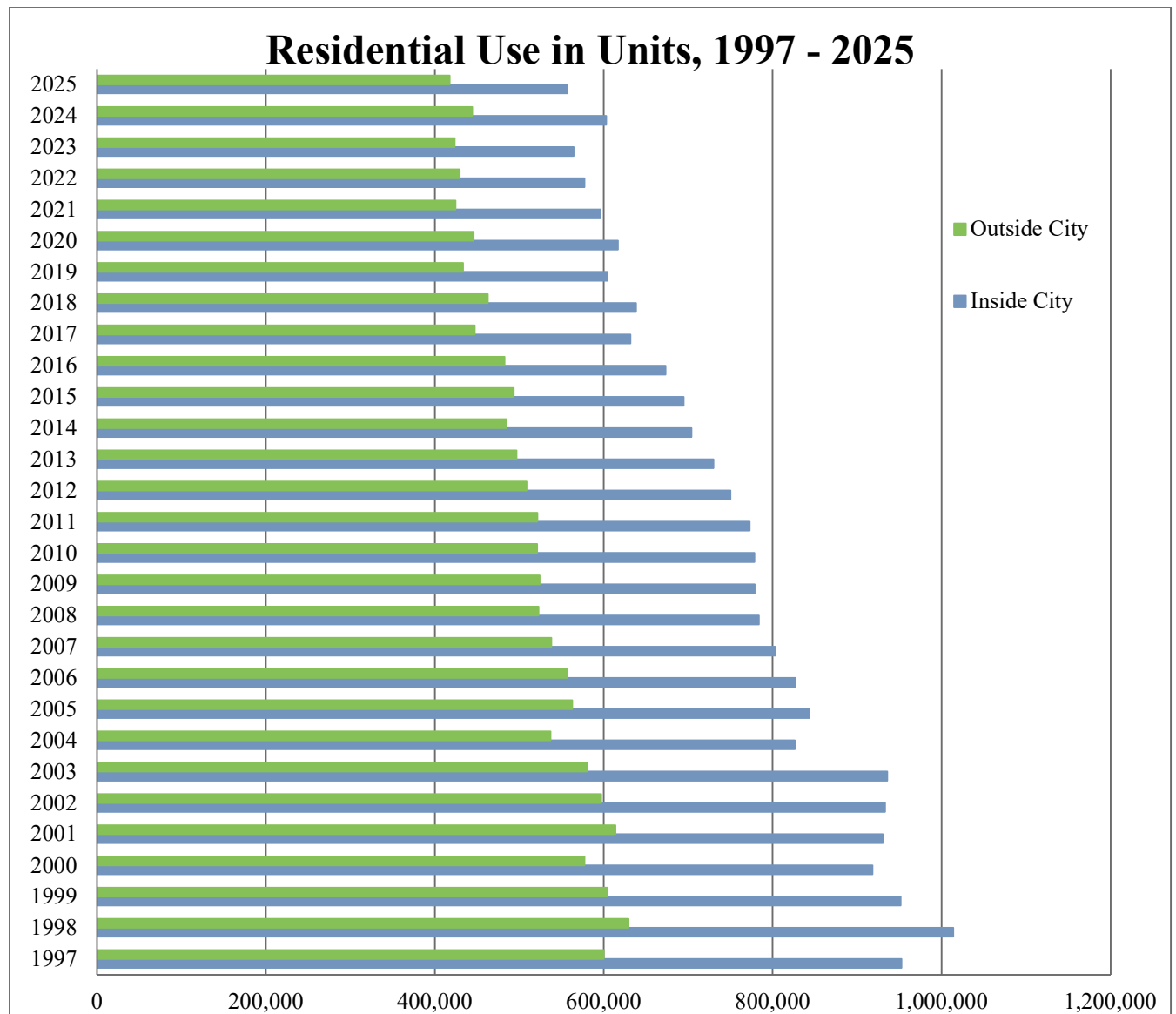
April 28, 2025

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, 2025 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 37% 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. The graph below displays residential water usage from 1997 to 2025.





Chase-Hibbard Dam

Approximately 1.9 billion gallons of water were pumped, treated and distributed to our customers in 2025. 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). Approximately 65% of our total yearly use comes from the Chemung River. The water level is established by the Chase-Hibbard Dam, replaced in 1994, located behind the main office (seen here).

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, 1,227 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 the system's 225 miles of water mains, more than half are over 100 years old. The accompanying GIS map illustrates the distribution of these assets, with mains color-coded by installation date. Notably, the red segments—representing mains installed in 1915 or earlier—constitute a significant portion of the system. Much of the City of Elmira's infrastructure falls into this pre-1915 category, with many mains dating back to the late 1800s. Similar-aged infrastructure is also present in portions of the Town of Elmira and throughout much of Elmira Heights.

Several factors impact the service life of our distribution system including pipe material, age, 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 in addition to old cast iron pipes.

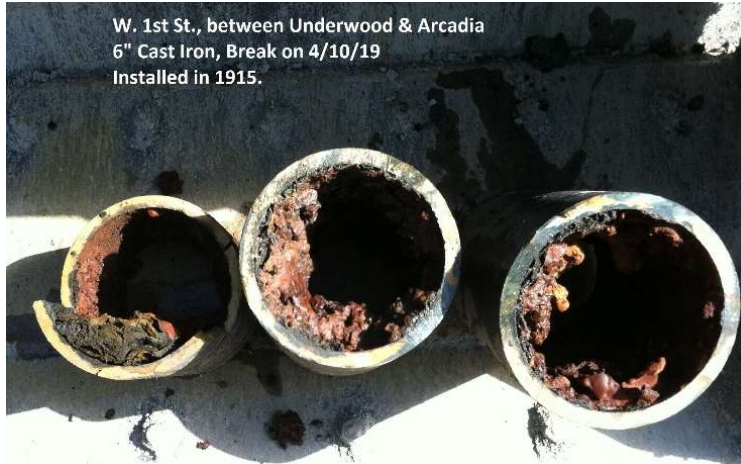
Here are two recent photos of water mains:

One installed in 1972 on East Water Street across from the site of a former power plant (corrosion was evident on other nearby conduits). The other, installed in 1991 in what was once swampland, where the fill appeared to contain ash, contributing to corrosive soil conditions.



The condition inside the water mains is also a concern. Our system faces significant issues with tuberculation, which is common in unlined cast iron pipes and those supplied by surface water sources. Cement-lined pipes, introduced around the mid 1930's, has been a standard for ductile iron pipe for many years and does experience these same tuberculation issues. Tuberculation can severely reduce both water quality and hydraulic capacity. It can also negatively affect water flow for high-demand users such as hospitals, large factories, and the prison. Additionally, tuberculation can limit water flow available for firefighting efforts.

Below are two pictures showing typical conditions inside our unlined cast iron pipes.



In addition to aging water mains, the condition and age of system valves remain a significant concern. Valves typically have a service life of 40 to 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.

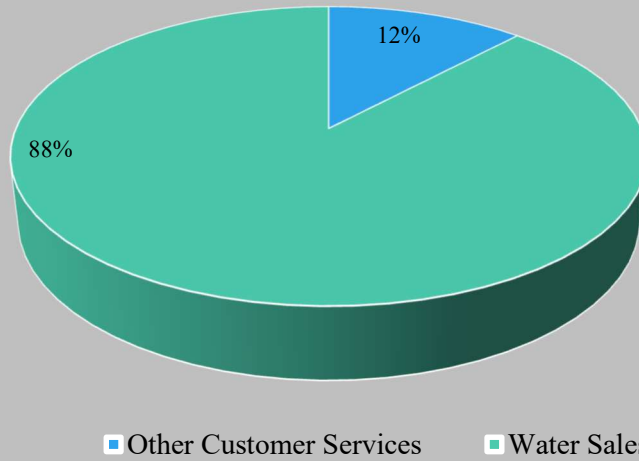
To address this concern, the Water Board continues to implement a proactive valve exercising and maintenance program focused on ensuring reliability and operational efficiency. Valves are routinely inspected, operated, and maintained to confirm proper function, improve performance during emergency situations, and extend the useful life of critical infrastructure. These efforts strengthen overall system resiliency, reduce the potential for service disruptions, and improve response to both main breaks and planned distribution system work.

We also have over 17,000 service laterals to customer premises. The majority of our service lines are copper, but we still have roughly 500 wrought iron service lines. The wrought iron lines are subject to the same tuberculation inside as bare cast iron lines; which can degrade water quality and reduce flow. Externally, they are susceptible to corrosion.

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 86% of our revenue for 2025. 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 necessary.

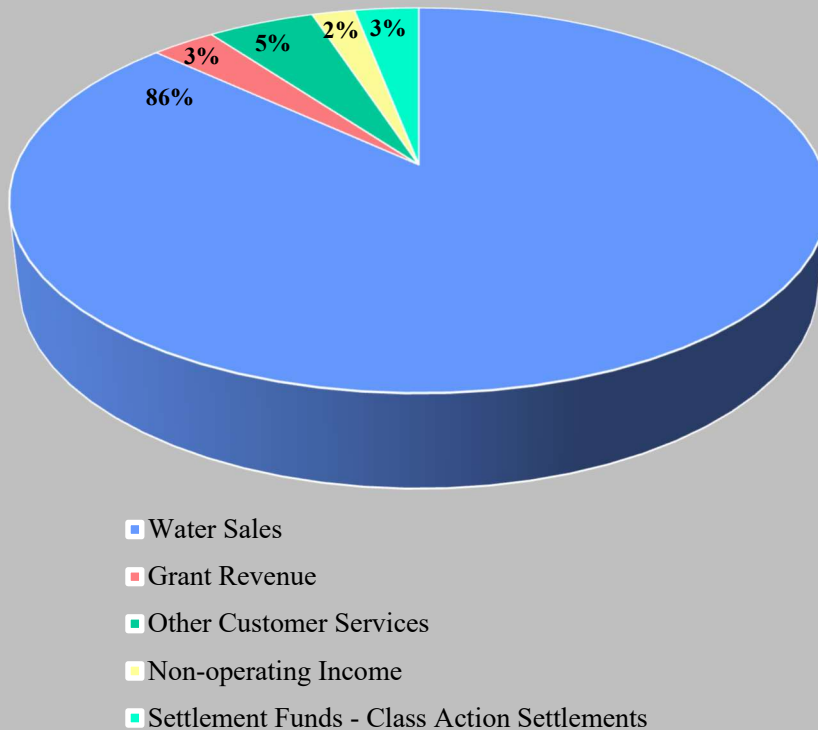
Operational Revenues 2025 Fiscal Year



During 2025 the Water Board received \$330,049 as part of a settlement from the PFAS class action litigation involving several manufacturers of per- and polyfluoroalkyl substances (PFAS). These funds are intended to support costs associated with PFAS monitoring, treatment, and compliance efforts within the water system.

In addition, \$332,937 was recognized as grant revenue for completed infrastructure improvements. The Elmira Water Board continues to actively pursue grant funding opportunities to help offset the cost of major capital projects, minimizing financial impacts on the system and its customers.

Total Revenues 2025 Fiscal Year

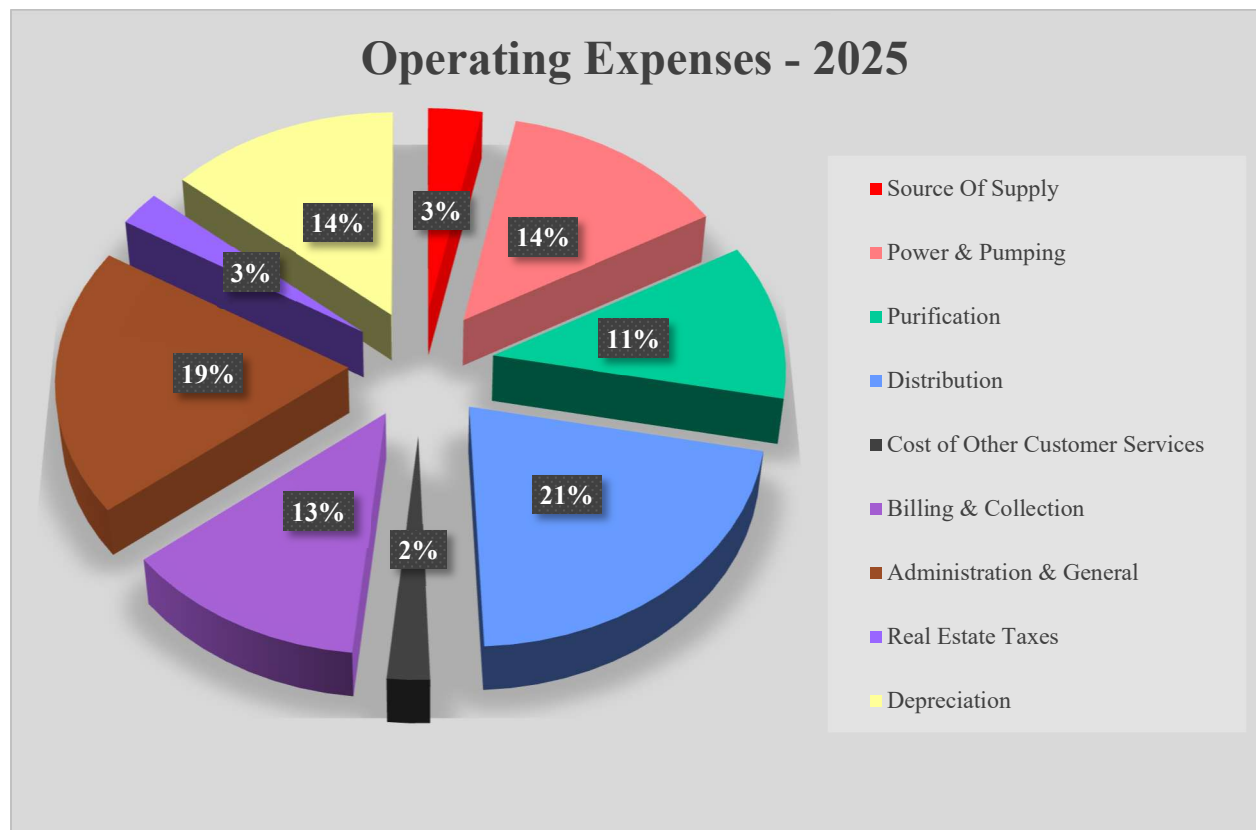


In the final quarter of 2023, we began our residential meter and radio-read installation program, which continued throughout 2025. The total estimated cost of this project is \$4,500,000. Over the course of the year our meter department installed 3,464 radio-read transmitters and 1,097 residential meters (5/8” and 1”). This project will continue throughout 2026, with estimated final completion in late 2027/early 2028.

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

Overall operating expenses were under budget for 2025. Conservative budgeting and reduced spending throughout the year were beneficial to the Water Board.

Employee wage and benefit costs represented 50% of the total operating expenses for 2025. In 2026, wages will increase by 3.5% for all CSEA unit employees, as agreed upon in the current contract, which expires at the end of 2027.



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 installed the following 3,452 feet of water main to replace existing water main for a total cost of \$399,074:

Fassett Road	316 feet – 12” Ductile Iron
Hampton Road	2,150 feet – 6” Ductile Iron
W. Thurston Street	750 feet – 6” Ductile Iron
Grace Street	236 feet – 6” 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 2025 there were also 35 new/replaced valves for a total cost of \$55,266 and 29 replaced hydrants totaling \$116,648. We continuously strive to update our infrastructure.

Capitalized Items

During 2025 the Water Board also had the following large capital expenditures:

Filter Plant Improvements

Rooftop A/C Unit \$ 15,466

Facilities Improvements/Equipment

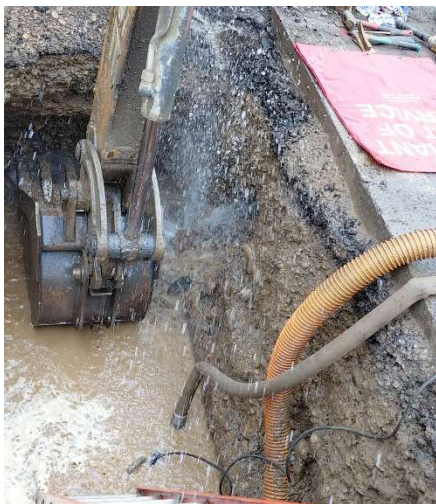
Electrical Upgrades – Hickory Tree Terrace \$ 27,500

Electrical Upgrades – Underwood Avenue \$ 27,000

Land Acquisition

2 parcels – West Hill Road \$ 47,790

Other Activities



Main Break – W. Gray Street

Water main breaks remain a key indicator of infrastructure condition within the distribution system. While these events are an expected outcome of operating an aging system, they are addressed promptly by crews to restore service and minimize disruption to customers. Each break is documented and evaluated to help identify patterns and prioritize infrastructure replacement.

The Elmira Water Board is vigilant in its quest to discover and repair leaks before they surface. Our Maintenance and Engineering Departments are trained in leak detection and continually find and repair leaks throughout our system.

Village of Wellsburg

The water sold to the Village of Wellsburg amounted to \$50,291 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 and Upcoming Improvements

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 service lines, main, valves and hydrants to improve the overall infrastructure.

The Elmira Water Board was awarded funding from the New York State Environmental Facilities Corporation (EFC) grant through their Water Infrastructure Improvement (WIIA) program in the amount of \$3,000,000 with an additional \$1,230,739 through the Bipartisan Infrastructure Law General Supplemental (BIL-GS) funding for distribution system improvements.

Phase I of the project, which included the replacement of a 16-inch water main on West Water Street from College Avenue to Railroad Avenue, was completed in 2020. The second phase, replacing a 16" water main on East Water Street from Clemens Center Parkway to Madison Avenue, was completed in 2024. The next two (2) phases of this grant, which include replacing the finished water main and the raw water main located at our Bonview and Fountain Drive locations, are scheduled for completion in the second half of 2026.



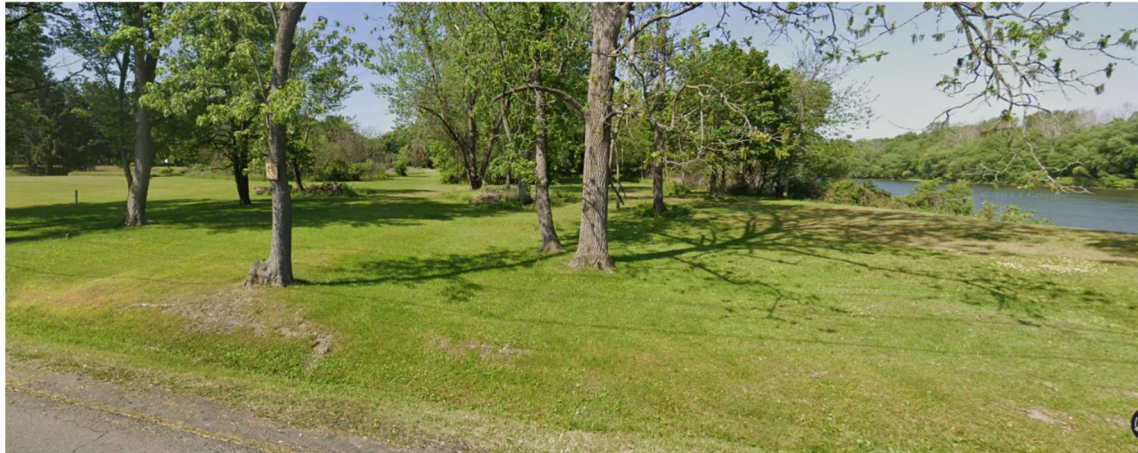
In 2026, the Elmira Water Board will construct a booster pumping station on newly acquired property along West Hill Road. The adjacent image shows the future site of the booster station near 110–116 West Hill Road.

The project will be primarily funded through the American Rescue Plan (ARP) grant funds, with the remaining costs supported by operating revenues. Once completed, the station is expected to improve water pressure for approximately 78 homes and three apartment complexes in the surrounding area.

Additionally, in 2025 the Water Board was awarded \$1,300,000 from the Water Quality Improvement Project (WQIP) program through the Department of Environmental Conservation (DEC) and \$1,320,895 from the Federal Emergency Management Agency (FEMA) High Hazard Potential Dams (HHPD) program. These funds will be used to support critical repairs and improvements to the Hoffman Storage Reservoir spillway (as seen here). This approximately 120 million-gallon reservoir serves as an important backup raw water supply source, accounting for less than 5% of the system's annual usage.



The Water Board will also evaluate the potential development of additional wells to the property on Homewood Avenue that was purchased in 2024, with well siting expected to begin in Spring of 2026. The Water Board will work closely with the Susquehanna River Basin Commission (SRBC), the Department of Health, the New York State Department of Environmental Conservation and other key stakeholders throughout this process.



Homewood Avenue property located along the south side of the Chemung River

Funding for capital improvements during 2026, with the exception of the grants noted above, 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. If the City’s efforts to redirect funds from the water system are successful, it will result in fewer resources available for the operation, maintenance, and replacement of the water system. The Board has closely reviewed the necessity of each item and will monitor all spending throughout the year.

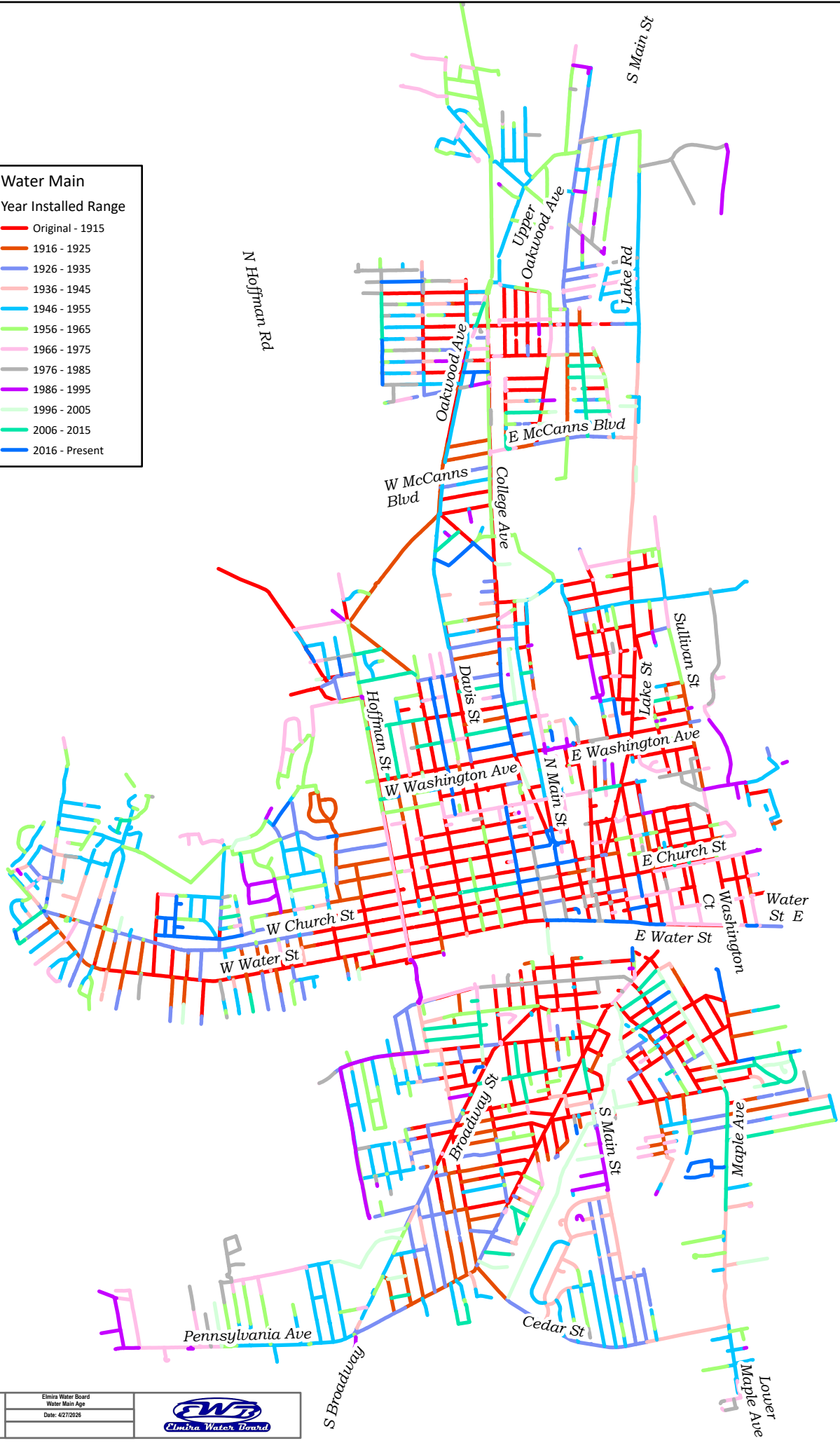
In closing, the Elmira Water Board would like to thank the officials, management, and staff of the City of Elmira for your continued assistance and support during 2025.

Respectfully Submitted,

Martin D. Chalk

Martin D. Chalk,
President, Elmira Water Board

Water Main	
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



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, 2025 AND 2024



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)

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, 2025 and 2024, 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, 2025 and 2024, 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.

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 32 through 34, 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, Barw & Co. LLP

Elmira, New York
April 23, 2026

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025. 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 company 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 ensure 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 27% of our total water revenue and the residential customer base represents 73%.

In 2025 the average annual residential usage, in gallons, was 42,328 and the average yearly residential bill was \$354.03, a decrease of approximately \$18, compared to 2024.

The Elmira Water Board pumped, treated, and distributed to our customers approximately 1.9 billion gallons of water in 2025. In 2025 our total water sales amounted to \$8,625,529; a decrease of \$3,871 compared to the 2024 water sales of \$8,629,400.

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, 2025

In 2024 the Water Board altered the billing dates for some residential bills in order to improve processes within the Office and Meter departments. This change resulted in residential water revenue of \$96,150, which accounts for a portion of the increase in 2024 water sales.

The distribution system contains 225 miles of water mains, 1,227 hydrants, approximately 5,000 valves and several thousand service lines. The Water Board Maintenance Department, consisting of 15 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 four 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 throughout 2026 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 50% of the operating expenses of the Water Board in 2025. 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 2025 the Company's maintenance department installed 3,452 feet of ductile iron water main to replace existing mains. The total capitalized cost of this work was \$399,074.

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 2025 the Company replaced 35 valves for a total cost of \$55,266 and 29 hydrants for a total cost of \$116,648. By continuing to replace valves throughout the distribution system, the Company will be better prepared for emergencies as they arise.

In 2025 the Elmira Water Board completed the lead service line grant funds using the remaining grant funds for paving. The total grant revenue for 2025 for lead service lines was \$40,000.

Additionally, in 2024 the Elmira Water Board hired a contractor to install approximately 1,690 feet of ductile iron water main, replace 6 hydrants and 18 valves as part of the grant awarded by New York State Environmental Facilities Corporation (EFC). The total capitalized project cost for these items was \$976,458. The total grant revenue for this project was \$976,458 which was receivable as of December 31, 2025.

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, 2025

Throughout the year the Company also had the following capital expenditures: Backhoe tractor implements for a total cost of \$14,774; Laboratory charge analyzer for a total cost of \$14,050; Electrical upgrades at Hickory Tree terrace for a total cost of \$27,500 and 570 Underwood for a total cost of \$27,000; John Deere zero turn mower for a cost of \$12,360; West Hill land for a total cost of \$47,790; and a Design Jet T2600 Printer for a total cost of \$12,996.

Financial Statements:

The Statement of Activities and Changes in Net Position present information showing the change in the Company's net position during the most recent fiscal year end December 31, 2025. 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 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 restricted cash, accounts receivable, and inventory. Accounts receivable includes amounts due from customers. Current liabilities include accounts payable, accrued liabilities, interest payable, compensated absences payable, 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, 2025 and 2024 was \$1,265,216 and \$1,271,695, 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.

There was no construction in process at December 31, 2025.

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, 2025

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, insurance proceeds, 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 in the process of 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.

Contacting the Elmira Water Board's Financial Management:

For further information, contact Ms. Alyssa L. Melens, General Manager or Ms. Jessica A. Allison, Treasurer, 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,	
	2025	2024
<u>CURRENT ASSETS</u>		
Cash	\$ 5,644,982	\$ 4,485,250
Restricted cash	1,196,178	1,187,374
Accounts receivable, net of allowance for credit losses of \$35,000	2,053,091	1,819,495
Inventories	2,405,211	3,012,476
TOTAL CURRENT ASSETS	11,299,462	10,504,595
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Prepaid expenses	299,883	364,701
Related to postemployment benefits	189,413	262,394
Related to pensions	1,478,112	1,844,567
Related to bond refunding	1,343	2,157
	1,968,751	2,473,819
<u>OTHER ASSETS</u> - Capital assets, net of accumulated depreciation	33,972,433	34,496,234
	\$ 47,240,646	\$ 47,474,648

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,	
	2025	2024
<u>CURRENT LIABILITIES</u>		
Current portion of bonds payable	\$ 267,800	\$ 308,760
Accounts payable	211,519	260,835
Accrued expenses	35,000	36,000
Accrued compensation and related liabilities	101,592	87,001
Accrued interest payable	6,816	10,340
Compensated absences payable	311,354	358,864
TOTAL CURRENT LIABILITIES	934,081	1,061,800
<u>LONG-TERM LIABILITIES</u>		
Net postemployment benefits liability	1,781,469	1,910,215
Net pension liability	1,540,725	1,319,808
Long-term portion of bonds payable	498,215	779,113
Compensated absences payable	345,095	329,413
	4,165,504	4,338,549
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to pensions	493,480	1,173,695
Related to postemployment benefits	223,365	220,578
	716,845	1,394,273
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	33,206,418	33,408,361
Restricted for capital improvement	312,762	300,275
Unrestricted	7,905,036	6,971,390
	41,424,216	40,680,026
	\$ 47,240,646	\$ 47,474,648

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,	
	2025	2024
Operating revenues:		
Water sales	\$ 8,625,529	\$ 8,629,400
Other customer services and revenues	1,183,894	1,329,961
TOTAL OPERATING REVENUES	9,809,423	9,959,361
Operating expenses:		
Source of supply	297,557	178,912
Power and pumping	1,251,399	1,026,716
Purification	1,057,205	1,072,692
Distribution	1,968,753	2,134,845
Cost of other customer services	203,580	193,764
Billing and collection	1,177,372	1,177,414
Administration and general	1,805,048	2,112,609
Real estate taxes	236,946	229,408
Depreciation	1,265,216	1,271,695
TOTAL OPERATING EXPENSES	9,263,076	9,398,055
OPERATING INCOME	546,347	561,306
Non-operating revenues (expenses):		
Interest income	225,356	334,621
Loss on disposal of capital assets	(24,906)	(36,262)
Insurance proceeds	19,393	-
Interest and bond expense	(22,000)	(21,751)
TOTAL NON-OPERATING REVENUES	197,843	276,608
CHANGE IN NET POSITION	744,190	837,914
Net position at beginning of year	40,680,026	39,842,112
NET POSITION AT END OF YEAR	\$ 41,424,216	\$ 40,680,026

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,	
	2025	2024
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Receipts from services	\$ 9,575,827	\$ 9,595,230
Payments to suppliers and employees	<u>(7,539,151)</u>	<u>(9,478,515)</u>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	2,036,676	116,715
 <u>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Interest income received	225,356	334,621
Insurance proceeds	19,393	-
Purchase and construction of capital assets, net of trade in allowance	(766,321)	(2,222,421)
Payment of bond principal	(308,760)	(443,120)
Payment of bond interest and administrative fees	<u>(37,808)</u>	<u>(39,861)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(868,140)</u>	<u>(2,370,781)</u>
NET CHANGE IN CASH AND RESTRICTED CASH	1,168,536	(2,254,066)
Cash and restricted cash at beginning of year	<u>5,672,624</u>	<u>7,926,690</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 6,841,160</u>	<u>\$ 5,672,624</u>

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

STATEMENTS OF CASH FLOWS, Cont'd

	Year ended December 31,	
	2025	2024
<u>RECONCILIATION OF CHANGE IN NET POSITION TO NET</u>		
<u>CASH PROVIDED FROM OPERATING ACTIVITIES:</u>		
Change in net position	\$ 744,190	\$ 837,914
Adjustments to reconcile change in net position to net cash provided from operating activities:		
Interest income	(225,356)	(334,621)
Insurance proceeds	(19,393)	-
Depreciation	1,265,216	1,271,695
Loss on disposal of capital assets	24,906	36,262
Interest and bond expense	22,000	21,751
Provision for credit losses	11,707	8,275
Change in assets and liabilities:		
Accounts receivable	(245,303)	(372,406)
Inventories	607,265	(1,445,911)
Prepaid expenses	64,818	(87,667)
Deferred outflows related to postemployment benefits	72,981	(103,577)
Deferred outflows related to pensions	366,455	240,203
Accounts payable	(49,316)	99,584
Accrued expenses	(1,000)	(1,000)
Accrued compensation and related liabilities	14,591	26,569
Deferred inflows related to pensions	(680,215)	620,985
Deferred inflows related to postemployment benefits	2,787	(13,892)
Compensated absences payable	(31,828)	(62,760)
Net postemployment benefits liability	(128,746)	42,903
Net pension liability	220,917	(667,592)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 2,036,676	\$ 116,715

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, 2025 AND 2024

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, 2025 and 2024, 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 \$11,707 and \$8,275 during the years ended December 31, 2025 and 2024, respectively.

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, 2025 AND 2024

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.

Subsequent events

The Company has conducted an evaluation of potential subsequent events occurring after the statement of net position date through April 23, 2026, which is the date the financial statements are available to be issued. See Note I.

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

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, 2025 and 2024, these amounts totaled \$312,762 and \$300,275, 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,	
	2025	2024
New York State Employee's Retirement Reserve Fund	\$ 448,188	\$ 447,010
Employee Benefit Reserve Fund	141,136	95,601
Capital Reserve Fund	312,762	300,275
Debt Service Fund	294,092	344,488
	\$ 1,196,178	\$ 1,187,374

NOTE C: ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses for accounts receivable are as follows:

	December 31,	
	2025	2024
Beginning balance	\$ 35,000	\$ 35,000
Provision for expected credit losses	(11,707)	(8,275)
Write-offs	11,707	8,275
Ending balance	\$ 35,000	\$ 35,000

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

NOTE D: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 follows:

	Balance January 1, 2025	Additions	Deductions	Balance December 31, 2025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Non-depreciable capital assets:				
Land	\$ 621,127	\$ -	\$ -	\$ 621,127
Construction in process	91,035	(91,035)	-	-
TOTAL NON-DEPRECIABLE CAPITAL ASSETS	712,162	(91,035)	-	621,127
Depreciable capital assets:				
Source of supply	4,521,694	-	(42,388)	4,479,306
Power and pumping	4,237,914	18,266	(77,780)	4,178,400
Purification and treatment	16,149,887	1,840	(152,046)	15,999,681
Distribution	39,496,634	640,668	(30,575)	40,106,727
Other	4,669,598	196,582	(123,074)	4,743,106
TOTAL DEPRECIABLE CAPITAL ASSETS	69,075,727	857,356	(425,863)	69,507,220
Less accumulated depreciation for:				
Source of supply	(2,451,655)	(78,617)	36,736	(2,493,536)
Power and pumping	(3,633,675)	(66,779)	77,780	(3,622,674)
Purification and treatment	(12,153,522)	(288,992)	152,046	(12,290,468)
Distribution	(14,227,349)	(613,919)	11,321	(14,829,947)
Other	(2,825,454)	(216,909)	123,074	(2,919,289)
TOTAL ACCUMULATED DEPRECIATION	(35,291,655)	(1,265,216)	400,957	(36,155,914)
CAPITAL ASSETS, NET	<u>\$ 34,496,234</u>	<u>\$ (498,895)</u>	<u>\$ (24,906)</u>	<u>\$ 33,972,433</u>

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

NOTE E: LONG-TERM DEBT

Bonds payable of the Company are summarized as follows:

	Year ended		December 31,	
	December 31, 2025		2025	2024
	<u>Interest</u>	<u>Principal</u>	<u>Amount</u>	<u>Amount</u>
	<u>payments</u>	<u>payments</u>		
Bond payable in annual installments varying from \$145,000 to \$155,000 through August 2027 plus interest varying from 3.375% to 5.00%, payable semi-annually. (Refinanced in 2014)	\$ 17,069	\$ 135,000	\$ 300,000	\$ 435,000
Refunded bond payable in annual installments varying from \$96,000 to \$129,600 through May 2029 plus interest at 4.00%, payable semi-annually.	20,160	119,200	444,400	563,600
Bonds paid in 2025	<u>580</u>	<u>54,560</u>	-	<u>54,560</u>
Total principal and interest	<u>\$ 37,809</u>	<u>\$ 308,760</u>		
Total bonds payable			744,400	1,053,160
Add unamortized bond premium			21,615	34,713
Less current portion			<u>(267,800)</u>	<u>(308,760)</u>
			<u>\$ 498,215</u>	<u>\$ 779,113</u>

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

NOTE E: LONG-TERM DEBT, Cont'd

The following is a schedule of maturities of debt:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 267,800	\$ 25,639
2027	284,600	15,697
2028	96,000	5,760
2029	<u>96,000</u>	<u>1,920</u>
	<u>\$ 744,400</u>	<u>\$ 49,016</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, 2025, refunded bond issues and the related principal payable from escrow amounted to \$485,800.

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. The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee and the Audit Advisory Committee.

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 of New York'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/retirement/resources/financial-statements-and-supplementary-information.

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

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 service, 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 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years. 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 two 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, 2025 AND 2024

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, 2025 and 2024 amounted to \$475,329 and \$429,741, respectively.

Pension plan fiduciary net position

The components of the current-year net pension liability (asset) of the employers were as follows:

Measurement date	March 31, 2025	March 31, 2024
Employers' total pension liability	\$ 247,600,239,000	\$ 240,696,851,000
Plan net position	(230,454,512,000)	(225,972,801,000)
Employers' net pension liability	\$ 17,145,727,000	\$ 14,724,050,000
 Ratio of plan net position to the employers' total pension liability	93.08%	93.88%

Actuarial assumptions

The total pension liability for the March 31, 2025 and 2024 measurement dates was determined using roll forward procedures to advance the liability calculated using System assumptions and member demographics from the actuarial valuations completed as of April 1, 2024 and 2023, respectively. The following actuarial assumptions were used in the valuation as of March 31, 2025 and 2024:

Actuarial cost method	Entry age normal
Inflation	2.9%
Salary scale	4.3%
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, 2025 AND 2024

NOTE F: EMPLOYEE BENEFIT PLAN, Cont'd

To set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) 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	25 %	3.54%
International equity	14	6.57%
Private equity	15	7.25%
Real estate	12	4.95%
Opportunistic/ARS portfolio	3	5.25%
Credit	4	5.40%
Real assets	4	5.55%
Fixed income	22	2.00%
Cash	1	0.25%
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.90%.

Discount rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the pension plan'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.

Sensitivity of the net pension liability to the discount rate assumption

The following presents the current-period net pension liability of the Company calculated using the current-period discount rate assumption 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, 2025 measurement date:

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

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)	\$ 4,454,679	\$ 1,540,725	\$ (895,201)

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

At December 31, 2025 and 2024, the Company reported a liability of \$1,540,725 and \$1,319,808 respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024 and 2023. The Company's proportion of the net pension liability 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, 2025 and 2024, the Company's proportion was 47% and 45%, respectively.

For the years ended December 31, 2025 and 2024, the Company recognized pension expense of \$338,212 and \$574,874, respectively. The Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31,			
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 382,043	\$ 18,021	\$ 424,622	\$ 35,946
Changes in assumptions	64,552	-	498,418	-
Net difference between projected and actual earnings on pension plan investments	120,762	-	-	643,980
Changes in proportion and differences between Company contributions and proportionate share of contributions	435,426	475,459	491,786	493,769
Company contributions subsequent to the measurement date	475,329	-	429,741	-
	\$ 1,478,112	\$ 493,480	\$ 1,844,567	\$ 1,173,695

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

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 in the year ended December 31, 2026. 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 December 31,</u>	
2026	\$ 262,683
2027	389,975
2028	(151,095)
2029	7,740
	<u>\$ 509,303</u>

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan description

The Company provides medical coverage to eligible pre-65 employees, retirees and dependents through a choice of four community rated health plans with Excellus Blue Cross Blue Shield. The benefits of each plan are outlined in the table below:

Benefits provided

	<u>Platinum 6</u>	<u>Gold 6</u>	<u>Silver 19</u>	<u>Bronze 4</u>
Deductible	None	\$1,800 / \$3,600	\$3,350 / \$6,700	\$8,300 / \$16,600
Coinsurance	None	80%	75%	100%
Out-of-Pocket Maximum	\$6,550 / \$13,100	\$3,800 / \$7,600	\$7,750 / \$15,500	\$8,300 / \$16,600
30 Day Rx Supply	\$5 / \$35 / \$70	\$5 / \$45 / \$90	\$5 / \$45 / \$90	Deductible & Coinsurance

To assist in meeting medical expenses, 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 19 and Bronze 4). The Company contributes \$1,400 / \$2,800 for Gold 6 enrollees, \$2,000 / \$4,000 for Silver 19 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
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

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:

	January 1,	
	2025	2024
Inactive employees or beneficiaries currently receiving benefit payments	28	28
Active employees	40	40
	68	68

Actuarial methods and assumptions

The Total OPEB liability for the January 1, 2025 measurement date was determined by using an actuarial valuation as of January 1, 2025. The following actuarial assumptions were used in the valuation:

Actuarial Cost Method	Entry-Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Discount Rate	4.08%, as of January 1, 2025 3.26%, as of January 1, 2024
Salary Scale	3%
Rate of Inflation	2.7%, as of January 1, 2025 and 2024
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.

ELMIRA WATER BOARD
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NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

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.

Medical Trend	To Fiscal Year Ending	Trend
	2026	6.50%
	2027	6.20%
	2028	5.60%
	2029	5.50%
	2034	4.97%
	2039	4.75%
	2044	4.71%
	2054	4.64%
	2064	4.59%
	2074	4.22%
	2084	4.14%
	2094	4.14%

The above trend rates were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model (Getzen v1f). 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: 2.7%
- 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: 24%

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, 2025 AND 2024

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

Health Plan Election	It has been assumed for this valuation that future retirees will stay in the same plan as they are currently in. Active employees not currently in a health plan are assumed to elect the Bronze 4 health plan at retirement.
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 4.08% and 3.26% as of January 1, 2025 and 2024, 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>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 1,910,215	\$ 1,867,312
<u>Changes for the year:</u>		
Service cost	81,800	73,276
Interest	62,177	69,507
Differences between expected and actual experience	-	(65,613)
Changes in assumptions and other inputs	(103,232)	109,961
Benefit payments	(169,491)	(144,228)
	<u>(128,746)</u>	<u>42,903</u>
Balance at end of year	<u>\$ 1,781,469</u>	<u>\$ 1,910,215</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% on January 1, 2024 to 4.08% on January 1, 2025.

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

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 (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
Total OPEB Liability	\$ 1,907,999	\$ 1,781,469	\$ 1,662,494

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	\$ 1,599,504	\$ 1,781,469	\$ 1,884,701

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

At December 31, 2025 and 2024 the Company reported a liability of \$1,781,469 and \$1,910,215, 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 zero. The Net OPEB liability was measured as of January 1, 2025 and 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 with update procedures used to roll forward the total OPEB liability to January 1, 2025.

For the years ended December 31, 2025 and 2024 the Company recognized OPEB expense of \$69,902 and \$94,925, respectively. The calculation of the OPEB expense is shown in the following table.

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

NOTE G: POSTEMPLOYMENT HEALTHCARE BENEFITS, Cont'd

	Measurement period ended January 1,	
	2025	2024
Service Cost	\$ 81,800	\$ 73,276
Interest on the total OPEB Liability	62,177	69,507
Expensed portion of current-period difference between expected and actual experience in the total OPEB Liability	-	(13,309)
Expensed portion of current-period changes of assumptions	(20,940)	22,304
Recognition of beginning deferred outflows of resources as OPEB expense	26,370	9,343
Recognition of beginning deferred inflows of resources as OPEB expense	(79,505)	(66,196)
	<u>\$ 69,902</u>	<u>\$ 94,925</u>

For the years ended December 31, 2025 and 2024, the Company reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31,			
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 43,538	\$ -	\$ 72,508
Changes of assumptions or other inputs	66,533	179,827	92,903	148,070
Company contributions subsequent to the measurement date	122,880	-	169,491	-
	<u>\$ 189,413</u>	<u>\$ 223,365</u>	<u>\$ 262,394</u>	<u>\$ 220,578</u>

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

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2025 AND 2024

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 ending December 31,</u>	<u>Amount</u>
2026	\$ (65,843)
2027	(58,945)
2028	(12,572)
2029	<u>(19,472)</u>
	<u>\$ (156,832)</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.

NOTE I: SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Company entered into contractual agreements for two capital projects. One contract, totaling approximately \$1,100,000, is for the Hoffman Booster Station Project and the second contract, totaling approximately \$3,900,000, is for the Higher Reservoir Project. The projects are consistent with the Company's ongoing operations and strategic objectives. Funding for these projects is expected to be provided through a combination of grant revenues and operating income. Both projects are expected to be completed by December 31, 2026.

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Company's proportion of the net pension liability of the City of Elmira, NY	47%	45%	43%	48%	53%	53%	52%	52%	43%	33%
Company's proportionate share of the net pension liability (asset)	\$ 1,540,725	\$ 1,319,808	\$ 1,987,400	\$ (701,341)	\$ 9,111	\$ 2,357,035	\$ 634,396	\$ 278,322	\$ 833,377	\$ 1,386,640
Company's covered payroll	\$ 3,071,848	\$ 3,079,985	\$ 3,005,911	\$ 2,867,088	\$ 2,757,332	\$ 2,788,133	\$ 2,685,437	\$ 2,634,199	\$ 2,497,273	\$ 2,349,599
Company's proportionate share of the net pension liability as a percentage of its covered-employee payroll	50.2%	42.9%	66.1%	-24.5%	0.3%	84.5%	23.6%	10.6%	33.4%	59.0%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.68%

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

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

SCHEDULE OF COMPANY CONTRIBUTIONS – PENSION

	Year ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 475,329	\$ 429,741	\$ 354,445	\$ 300,112	\$ 412,660	\$ 367,218	\$ 356,432	\$ 347,826	\$ 336,119	\$ 355,615
Contribution in relation to the contractually required contribution	<u>475,329</u>	<u>429,741</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Company's covered-employee payroll	\$ 3,071,848	\$ 3,079,985	\$ 3,005,911	\$ 2,867,088	\$ 2,757,332	\$ 2,788,133	\$ 2,685,437	\$ 2,634,199	\$ 2,497,223	\$ 2,349,599
Contributions as a percentage of covered-employee payroll	15.5%	14.0%	11.8%	10.5%	15.0%	13.2%	13.3%	13.2%	13.5%	15.1%

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

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

	Year ended December 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 81,800	\$ 73,276	\$ 104,656	\$ 91,675	\$ 83,773	\$ 81,362	\$ 94,241	\$ 50,018
Interest	62,177	69,507	44,386	47,270	60,268	85,878	76,955	48,233
Changes of benefit terms	-	-	-	-	-	-	-	(39,730)
Differences between expected and actual experience	-	(65,613)	-	(67,187)	-	94,599	-	295,460
Changes of assumptions or other inputs	(103,232)	109,961	(249,140)	17,444	80,652	56,546	(86,512)	714,138
Benefit payments	(169,491)	(144,228)	(165,208)	(189,220)	(215,715)	(215,872)	(212,724)	(89,829)
Net change in total OPEB liability	(128,746)	42,903	(265,306)	(100,018)	8,978	102,513	(128,040)	978,290
Total OPEB liability - beginning of year	1,910,215	1,867,312	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>\$ 1,781,469</u>	<u>\$ 1,910,215</u>	<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	\$ 3,071,848	\$ 3,079,985	\$ 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	58.0%	62.0%	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:

2025 - 4.08%, 2024 - 3.26%, 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 Chart

