

TOWN OF CORNING, NEW YORK
General Fund Financial Statements
and Independent Auditors' Report
December 31, 2024

TOWN OF CORNING, NEW YORK

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INDEPENDENT AUDITORS' REPORT

Town Board and Supervisor
Town of Corning, New York:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund of the Town of Corning, New York (the Town), as of and for the year ended December 31, 2024, and the related notes to financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Town, as of December 31, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in note 1(b), the financial statements present only the general fund and do not purport to, and do not, present fairly the financial position of the Town, as of December 31, 2024, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 the Town'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.

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

Management has omitted the management's discussion and analysis and the schedule of revenue, expenditures and changes in fund balances - budget to actual - general fund that accounting principles in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

EFPR Group, CPAs, PLLC

Williamsville, New York
July 23, 2025

TOWN OF CORNING, NEW YORK
Balance Sheet - General Fund
December 31, 2024

Assets

Cash and equivalents:		
Unrestricted	\$	1,290,067
Restricted		55,352
Prepaid expenditures		<u>30,625</u>
Total assets	\$	<u><u>1,376,044</u></u>

Liabilities and Fund Balances

Liabilities:

Accounts payable	10,701
Accrued liabilities	6,117
Overpayments	6,255
Deferred revenue	<u>36,682</u>
Total liabilities	<u>59,755</u>

Fund balance:

Nonspendable - prepaid expenditures	30,625
Restricted - capital	52,632
Assigned - subsequent year's budget	85,000
Unassigned	<u>1,148,032</u>
Total fund balance	<u>1,316,289</u>

Total liabilities and fund balance	\$ <u><u>1,376,044</u></u>
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See accompanying notes to financial statements.

TOWN OF CORNING, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund
Year ended December 31, 2024

Revenue:	
Real property taxes	\$ 835,070
Real property tax items	84,446
Non-property tax items	11,955
Departmental income	333
Intergovernmental charges	15,024
Use of money and property	91,622
Licenses and permits	1,701
Fines and forfeitures	18,926
Sale of property and compensation for loss	45,010
Miscellaneous	13,967
State aid	107,082
Federal aid	391,120
	<u>1,616,256</u>
Total revenue	<u>1,616,256</u>
Expenditures:	
General government support	1,101,625
Public safety	8,772
Health	35,168
Transportation	90,525
Culture and recreation	31,974
Home and community services	101
Employee benefits	275,867
	<u>1,544,032</u>
Total expenditures	<u>1,544,032</u>
Excess of revenue over expenditures	72,224
Fund balance at beginning of year	<u>1,244,065</u>
Fund balance at end of year	<u>\$ 1,316,289</u>

See accompanying notes to financial statements.

TOWN OF CORNING, NEW YORK

Notes to Financial Statements

December 31, 2024

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Town of Corning, New York (the Town), is governed by the Code of the Town and other general laws of the State of New York (the State) and various local laws. The Town Board is the legislative body responsible for overall operations; the Town Supervisor serves as chief executive officer and chief fiscal officer.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles. The notes to the financial statements are an integral part of the statements and are intended to be read with them. As of December 31, 2024, the Town has no component units.

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Town only reports its general fund and has not adopted the reporting requirements of GASB Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," which is required by GAAP.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF CORNING, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Property Taxes

Town real property taxes are levied annually on January 1st and become a lien on that date. Taxes are collected during the period January 1st to March 31st. Uncollected real property taxes are subsequently enforced by the County of Steuben, New York (the County), in which the Town is located. The County pays an amount representing uncollected real property taxes, transmitted to the County for enforcement, to the Town no later than the following April 1st.

(e) Budgetary Data

The Town's budget policies are as follows:

- (1) No later than October 5th, the budget officer submits a tentative budget to the Town Board for the calendar year commencing the following January 1st. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
 - (a) After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20th.
 - (b) All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.
- (2) Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

(f) Cash

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. The Town's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of the State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal Government and the State. Underlying securities must have market value of at least the cost of the repurchase agreement.

TOWN OF CORNING, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

(h) Internal Balances

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures. Reimbursements arise when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

(i) Inventories and Prepaid Items

Purchases of inventoriable items are recorded as expenditures in the governmental funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the financial statements. Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

(j) Vested Employee Benefits

Employees accrue vacation leave based on the number of years employed and the contract they are employed under, up to a maximum of 25 days per year. Upon separation from service, employees are paid for accumulated vacation time.

Employees accrue sick leave based on the contract they are employed under, at the rate of 5 or 10 days per year and may accumulate such credits up to a total of 10 days for non-union employees. Union employees are not eligible to accumulate sick leave credits. Employees who retire are allowed to use accumulated sick leave to be credited to the retirement benefits under the New York State and Local Employees' Retirement System.

(k) Short-Term Debt

Liabilities for bond anticipation notes (BANs) are not accounted for in the general fund. However, the general fund may pay the BAN principal and interest for other funds. The notes, or renewal thereof, may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each 12 month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

TOWN OF CORNING, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Deferred Compensation

The Town, through the New York State and Local Employees' Retirement System, offers their employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not administer the Plan.

(m) Fund Balance Classifications

The Town has implemented GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions." The purpose of this accounting standard is to provide fund balance categories and classification that will be more easily understood by users of financial statements and consistently applied in fund balance reporting.

This standard sets forth hierarchical fund balance classifications that are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following is a brief description of the five fund balance classifications:

- Nonspendable - Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenditures are nonspendable assets because, by definition, the money has already been spent.
- Restricted - Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation. Various State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves.
- Committed - Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority (the Town Board) before the end of the fiscal year. The same level of formal action is required to remove the constraint.
- Assigned - Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority or by their designated body or official.
- Unassigned - Represents the residual amount of fund balance in the general fund.

TOWN OF CORNING, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

(o) Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

(2) Cash

The Town's investment policies are governed by State statutes, as previously described in these notes. The depository bank places approved pledged securities for safekeeping and trust with the Town's agent bank in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC Insurance.

At December 31, 2024, the carrying amount of the Town's general fund deposits was \$1,345,419 and the bank balance was \$2,290,766. The Town's deposits at December 31, 2024, were entirely covered by \$250,000 of FDIC Insurance and the remaining covered by pledged collateral held by the Town's agent bank in the Town's name of \$2,040,766.

(3) Contingencies

(a) Grant Funding

The Town has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the Town administration believes disallowances, if any, will be immaterial.

(b) Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable. The Town's management does not believe any such refunds would be material.

TOWN OF CORNING, NEW YORK
Notes to Financial Statements, Continued

(3) Contingencies, Continued

(c) Judgments and Claims

There are claims against the Town are presently pending for other matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town. In addition there are also cases where the Town is the plaintiff. If any amounts are awarded as a result it will be recorded at that time.

(d) Remedies for Default

Upon default of the payment of principal or interest on the serial bonds or bond anticipation notes of the Town, the bondholders have the right to litigate.

(4) Tax Abatements

The Steuben County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The amount of property tax revenue that was reduced as a result of these programs is not available. The Town received payment in lieu of taxes (PILOT) payments totaling \$84,446 for the year ended December 31, 2024.