

CITY OF OGDENSBURG, NEW YORK
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021

CITY OF OGDENSBURG, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

Mayor and Members of the City Council
City of Ogdensburg, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ogdensburg, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Ogdensburg, New York's basic 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ogdensburg, New York, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

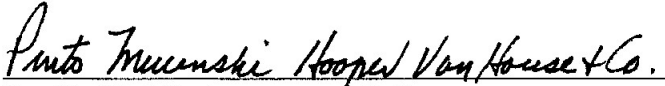
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages 4 – 11, budgetary comparison information on Page 51, schedule of contributions on Page 52, schedule of proportionate share of the net pension liability/(asset) on Page 53, and schedule of changes in the total OPEB liability and related ratios on Page 54, be presented to supplement the basic financial statements. Such information, is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023, on our consideration of the City of Ogdensburg, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Ogdensburg, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ogdensburg, New York's internal control over financial reporting and compliance.


Przemyslaw Hooper
Certified Public Accountants, P.C.

February 7, 2023

The City of Ogdensburg (the City) offers this discussion and analysis for the fiscal year ending December 31, 2021. Please read along with the City's financial statements which include the notes to the financial statements.

1. FINANCIAL HIGHLIGHTS

At the end of the year, total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources by \$ 19,496,472.

For the year, total revenues for the City were \$ 29,199,030, while total expenses were \$ 12,321,784. The net of the revenues and expenses leaves the City with an increase in net position of \$ 16,877,247.

Total outstanding long-term indebtedness for the City at December 31, 2021 and 2020 was \$ 2,780,000 and \$ 3,532,182, respectively.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as a commentary to the financial statements for the City of Ogdensburg. The financial statements are comprised of the following three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the financial statements, such as budgetary comparisons.

Government-wide Financial Statements – The government-wide financial statements are intended to provide the reader with a broad overview of the financial condition of the City that closely matches the reporting format of most private-sector companies. The Statement of Net Position and the Statement of Activities provides information about the activities of the City as a whole and presents a longer-term view of the City's finances.

The Statement of Net Position provides the reader with a snapshot in time of the assets, liabilities, and resulting net position (or equity as stated with private sector reporting) of the City. Over time, increases or decreases in the net position of the City may provide an indicator of the trend in the City's financial condition. Other forward-looking indicators will also assist the reader to assess the overall financial health of the City. Some of these indicators include, but are not limited to: changes in the total property tax base, employment trends in the City and outlying areas, and condition of the City's capital assets (streets, buildings, water, and sewer infrastructure).

The Statement of Activities provides the reader of the sources of revenue for the City, the sources of expenses and the net balance between the two, which directly impacts the resulting net position at year-end. Reporting of revenues and expenses is done using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This means that transactions are recorded when they are realizable and measurable and not when cash flows into or out of the City.

The government-wide financial statements for the City are limited to governmental activities of the City primarily supported by taxes and intergovernmental revenues. The governmental activities include: general government, public safety (mostly police and fire protection), street construction and maintenance, economic development, water and sewer utility, and culture and recreation.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

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

- a. Governmental Funds – Most of the City’s basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the year. Spendable resources are measured using the modified accrual method of accounting. Under this method, resources are considered available if they can be readily converted to cash, generally in 60 days or less. Reviewing governmental funds may be useful in assessing the City’s near-term financing requirements.

The main difference between governmental funds and the government-wide financial statements is, respectively, short-term view versus long-term view; it is useful to compare the information presented in both. By doing so, readers may better understand the long-term impact of the government’s short-term financing decisions.

The City of Ogdensburg maintains seven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, and the special revenue fund, all of which are considered to be major funds. The special revenue fund aggregates data from the other seven subsidiary funds into a single major fund. Individual fund data for each of these subsidiary governmental funds is provided in the form of combining statements elsewhere in this report.

The financial statements for governmental funds can be found in the basic financial statements, which is the following section.

- b. Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use any assets in these funds to finance the City’s operations. It is the City’s responsibility to ensure the assets in these funds are used for their intended purposes.

Notes to Financial Statements – The notes to the financial statements provide additional information that the reader of this report may require to fully understand all aspects of this report. The notes to the financial statements can be found following the basic financial statements section of this report.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Net Position may serve as a useful indicator of a government’s financial position over time. For the year ending December 31, 2021, the City of Ogdensburg’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 19,496,472.

The majority of the City’s net position is in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these assets to provide services to citizens (e.g. public water, sewer, recreational facilities, streets, etc.). Since these assets are not liquid and are not intended to be sold, they are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Schedule 1: Condensed Statement of Net Position

	2021	2020	Increase/ (Decrease)	Percentage Change
Current Assets	\$ 17,704,842	\$ 15,458,432	\$ 2,246,410	14.53%
Capital Assets, Net	69,633,710	58,773,683	10,860,027	18.48%
Total Assets	87,338,552	74,232,115	13,106,437	17.66%
Deferred Outflows of Resources	10,833,363	9,522,095	1,311,268	13.77%
Total Assets and Deferred Outflows of Resources	<u>\$ 98,171,915</u>	<u>\$ 83,754,210</u>	<u>\$ 14,417,705</u>	17.21%
Current Liabilities	\$ 28,662,606	\$ 25,708,823	\$ 2,953,783	11.49%
Long-Term Liabilities	36,006,061	47,439,737	(11,433,676)	-24.10%
Total Liabilities	64,668,667	73,148,560	(8,479,893)	-11.59%
Deferred Inflows of Resources	14,006,776	7,986,425	6,020,351	75.38%
Total Liabilities and Deferred Inflows of Resources	<u>78,675,443</u>	<u>81,134,985</u>	<u>(2,459,542)</u>	-3.03%
Net Position				
Net Investment in Capital Assets	42,353,534	35,346,346	7,007,188	19.82%
Restricted for Reserves	908,433	1,618,137	(709,704)	-43.86%
Unrestricted (Deficit)	<u>(23,765,495)</u>	<u>(34,345,258)</u>	<u>10,579,763</u>	-30.80%
Total Net Position (Deficit)	<u>19,496,472</u>	<u>2,619,225</u>	<u>16,877,247</u>	-644.36%
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 98,171,915</u>	<u>\$ 83,754,210</u>	<u>\$ 14,417,705</u>	17.21%

The remaining category of unrestricted net position, when positive, may be used to meet the government’s ongoing obligations and services to creditors and citizens, especially in the future. At December 31, 2021, the City had a deficit balance of \$ (23,765,495).

Total net position of the City’s governmental activities for the year ending December 31, 2021 was \$ 19,496,472.

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on page 13. Key elements of this change are illustrated in the following table:

Schedule 2: Condensed Statement of Activities

	2021	2020	Increase/ (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 5,717,814	\$ 5,612,529	\$ 105,285	1.88%
Operating Grants and Contributions	2,753,003	2,626,593	126,410	4.81%
Capital Grants and Contributions	9,273,430	1,777,374	7,496,056	421.75%
General Revenues				
Real Property Taxes and Items	5,445,059	5,930,439	(485,380)	-8.18%
Non Property Tax Items	4,978,637	4,414,169	564,468	12.79%
State Aid	71,500	51,223	20,277	39.59%
Other	959,588	1,369,265	(409,677)	-29.92%
Total Revenues	<u>29,199,031</u>	<u>21,781,592</u>	<u>7,417,439</u>	34.05%
Expenses				
General Government Support	1,683,197	2,338,781	(655,584)	-28.03%
Public Safety and Health	4,518,961	8,391,837	(3,872,876)	-46.15%
Transportation	2,679,991	2,524,778	155,213	6.15%
Economic Assistance and Opportunity	158,616	18,459	140,157	759.29%
Culture and Recreation	813,586	1,692,449	(878,863)	-51.93%
Home and Community Services	2,335,799	3,857,118	(1,521,319)	-39.44%
Interest on Debt	131,634	173,187	(41,553)	-23.99%
Total Expenses	<u>12,321,784</u>	<u>18,996,609</u>	<u>(6,674,825)</u>	-35.14%
Increase/(Decrease) in Net Position	<u>\$ 16,877,247</u>	<u>\$ 2,784,983</u>	<u>\$ 14,092,264</u>	506.01%

The City's total revenues for the year were \$ 29,199,031 versus total expenses of \$ 12,321,784. For the year, the City's net position increased by \$ 16,877,247 to bring total net position of the primary government of the City to a position of \$ 19,496,472.

Governmental Activities

The drivers of revenues for the year were charges for services, which is mostly made up of water and sewer charges for services. Property taxes comprised 18.6% of the total revenues while Non-Property Tax Items consisting mainly of New York State sales tax was 17.1% of revenues.

On the expense side, public safety and health, transportation, along with home and community services made up the majority of the cost of the governmental activities.

In the General Fund under public safety and health, the police department and fire department expenses for the year totaled \$ 3,850,794 (48%) and \$ 3,750,466 (47%), of the total for public safety and health, respectively.

Home and community services for General and Special Revenue Funds total \$ 3,067,918 in expenses for the year. Costs associated with operating the water fund were \$ 1,343,372 or (44%) of the total while the sewer fund costs were \$ 1,885,247 or (61%) of the total.

In 2021, the City's total New York State & Local Retirement expense was \$ 1,557,382; of this amount, \$ 509,227 was for the Employees Retirement System and \$ 1,048,155 was for the Police/Fire Retirement System.

Depreciation expense was \$ 1,770,541 for 2021.

THE CITY'S FUNDS - Governmental Funds

- 1) General Fund – The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$ 5,861,158 and the total fund balance was \$ 6,140,893. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year ending December 31, 2021, unassigned fund balances represent 44% of total fund expenditures (including transfers out), while total fund balance was 28.9% of the same amount. The total fund balance of the City's General Fund increased by \$ 1,727,977 or 42.8% during the current fiscal year.

- 2) Capital Projects Fund – The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases. At the end of the current fiscal year, the fund balance showed a deficit balance of \$ 23,169,924.

- 3) Special Revenue Fund – The Special Revenue Fund for the City is made up of the following individual funds: Community Development Fund, Water Fund, Sewer Fund, Library/Museum Fund, and Self-Insurance Fund. The Community Development Fund is a special revenue fund used to account for the programs and projects primarily funded by the U.S. Department of Housing and Urban Development as well as other federal and state grant programs. At the end of the current fiscal year, the total special revenue fund balance was \$ 6,621,267.

Components of the December 31, 2021 special revenue fund balance are as follows:

Restricted	
Community Development	\$ 195,391
Insurance Reserve	<u>57,792</u>
Total Restricted Special Revenue Fund Balance	<u>253,183</u>
Unassigned	
Community Development	50,893
Insurance Reserve	742,046
Water	2,532,153
Sewer	3,009,321
Library/Remington	<u>33,671</u>
Total Unassigned Special Revenue Fund Balance	<u>6,368,084</u>
Total Special Revenue Fund Balance	<u>\$ 6,621,267</u>

4. BUDGETARY HIGHLIGHTS

The City Charter requires the City Manager to submit a budget with an accompanying written budget report to the City Council on or before November 1 for the next fiscal year. The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year.

A summary of the proposed budget, a notice of when and where the budget and budget report are available for public inspection, and the time and place of a public hearing on the proposed budget shall be published in the local newspaper. A public hearing shall be held on the proposed budget no later than December 15.

Between November 1 and December 15 the Council will review the budget and make amendments as they see fit, but must adopt a final budget along with necessary implementing ordinances no later than December 20.

If the City Council fails to adopt a budget by December 20, the budget submitted to the Council by the City Manager and all necessary implementing ordinances shall take effect.

The City's annual budget includes estimated revenues and appropriations for all funds. Self-insurance and the community development fund do not have an annual budget even though they are special revenue funds. A five-year capital expenditure budget is also included in the annual budget.

5. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental activities as of December 31, 2021, amounted to \$ 69,633,710 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress (CIP).

Major capital asset additions during 2021 included:

• Waste Water Treatment Plant Upgrade	\$ 11,582,307
• Dobisky Center and Marina	\$ 153,020
• Maple City Trail	\$ 107,220
• Lafayette – Spring Street Bridge Repairs	\$ 399,720
• St. Lawrence Shores Water	\$ 354,665

Depreciation expense was \$ 1,770,541 for 2021.

Capital Assets

A recap as of December 31, 2021 is as follows:

	Beginning	Ending	Increase/ (Decrease)	Percentage Change
Land	\$ 6,776,899	\$ 6,776,899	\$ -	0.00%
Construction in Progress	24,246,517	36,887,669	12,641,152	34.27%
Buildings and Improvements	16,254,883	16,254,883	-	0.00%
Land Improvement	10,341,926	10,341,926	-	0.00%
Infrastructure	38,809,762	38,809,762	-	0.00%
Machinery and Equipment	18,987,693	18,987,693	-	0.00%
Vehicles	<u>5,052,872</u>	<u>4,782,333</u>	<u>(270,539)</u>	-5.66%
Total Capital Assets	120,470,552	132,841,165	12,370,613	28.61%
Less: Accumulated Depreciation	<u>61,696,869</u>	<u>63,207,455</u>	<u>1,510,586</u>	2.39%
Total	<u>\$ 58,773,683</u>	<u>\$ 69,633,710</u>	<u>\$ 10,860,027</u>	31.00%

Long-Term Debt and Other Long-Term Liabilities

A recap as of December 31, 2021 is as follows:

	Beginning	Ending	Increase/ (Decrease)	Percentage Change
Long-Term Debt				
Serial Bonds	\$ 3,315,000	\$ 2,230,000	\$ (1,085,000)	-48.65%
Capital Leases Payable	<u>217,182</u>	<u>-</u>	<u>(217,182)</u>	-100.00%
Total Long-Term Debt	<u>3,532,182</u>	<u>2,230,000</u>	<u>(1,302,182)</u>	-148.65%
Other Long-Term Liabilities				
Compensated Absence	632,282	662,738	30,456	4.60%
Judgements and Claims	3,630,863	2,939,615	(691,248)	-23.51%
Net Pension Liability	9,220,834	1,799,301	(7,421,533)	-412.47%
OPEB	<u>31,028,104</u>	<u>28,374,407</u>	<u>(2,653,697)</u>	-9.35%
Total Other Long-Term Liabilities	<u>44,512,083</u>	<u>33,776,061</u>	<u>(10,736,022)</u>	-440.74%
	<u>\$ 48,044,265</u>	<u>\$ 36,006,061</u>	<u>\$ (12,038,204)</u>	-589.39%

The New York State Constitution establishes a debt limit of 7% of the most recent five-year average valuation of taxable real estate in the City. Certain properties in the City are exempt from taxable status, which comprised approximately 60% of the total property value in the City. At December 31, 2021, the total indebtedness subject to its Constitutional Debt limit was \$ 4,074,684 or 20.56% of its limit.

The City's general obligation limited tax (GOLT) rating was upgraded in 2019 to Ba1 positive from Ba1 negative. In 2020, the City maintained this rating. In April of 2021, the City's GOLT rating was upgraded to Baa3 (Stable).

More detailed information on the City's capital assets and long-term debt activity is provided in the Notes to the Financial Statements.

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's officials have considered many factors when adopting the 2022 budget.

The City of Ogdensburg is the only city in St. Lawrence County. The unemployment rates as of July 2022 and July 2021 were 4.6% and 6.1%, respectively, in St. Lawrence County and 4.6% and 7.4%, respectively, in New York state.

The City decreased its property tax levy by 10% for the second consecutive year in a row in the 2022 budget, necessary provide headroom under the constitutional tax limit. In 2021, the City had exhausted 81% of its constitutional tax limit. The 2022 reduction in the tax levy reduced the use of the constitutional tax limit to 64% with exclusions. As an offset to this revenue reduction, the City has reduced operating costs, mainly personnel, so as to not deteriorate, and to continue strengthening, the financial conditions of the City.

The City's 2022 budget continues to be impacted by the high cost of retirement and health care benefits. The budgeted contribution rate to the Employees' Retirement System will be 15% of overall salaries. The budgeted contribution rate to the Police and Fire Retirement System will be 31% of overall salaries. Health insurance costs are budgeted to be 40% of budgeted salaries.

At the start of 2022 the Library and Museum will have transitioned to independent operating models. The City will provide \$ 78,000 to the Ogdensburg Volunteer Rescue Squad in 2022.

The Sewer rates were increased 5% in the 2022 budget. In 2022, the City will continue construction of a \$ 43.6-million-dollar waste water treatment plant upgrade, which is expected to be completed in 2023. Additional increases in sewer rates are anticipated to repay the debt associated with the project and will be evaluated during the 2023 budget process.

The water and sewer funds within the City are budgeted to support anticipated expenditures without the appropriate of fund balance. The general fund has appropriated \$ 74,124 of fund balance in the 2022 budget. Due to revenue constraints the reliance on sales tax and state aid, as well as a stagnant tax base, the City anticipates 2022 could prove to be a challenging year financially. Approximately \$ 533,000 of money from the American Rescue Plan Act (ARPA) was used to balance the budget, and will not re-occur in 2023. Effective March 1, 2022 the City has pre-empted sales tax revenue and will received 1.5% of all taxable sale collected within the City limits through the pre-emption process. St. Lawrence County will share .5% of sales tax earned via the "home-rule" legislation within the City limits. Prior to pre-emption, the City was allocated 6.44% of sales tax on sales within St. Lawrence County. It will be necessary for the City to continuously monitor the collection of sales tax revenue to assess the impact of this change as sales tax is the second largest source of revenue for the City of Ogdensburg general fund.

7. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Ogdensburg's finances to our citizens, taxpayers, customers, investors, and creditors. If you need any additional copies of this report or have any additional questions, please contact our offices at the following address:

City of Ogdensburg, City Comptroller's Office, 330 Ford Street, Ogdensburg, New York 13669.

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

ASSETS

Current Assets

Cash		
Cash - Unrestricted	\$	11,526,362
Cash - Restricted		908,444
Receivables		
Taxes Receivable (Net of Allowance of \$ 350,000)		1,477,713
Accounts and Other Receivables		892,784
State and Federal Receivables		1,223,452
Due from Fiduciary Funds		59,041
Due from Other Governments		1,599,408
Prepaid Expenses		17,638
Total Current Assets		<u>17,704,842</u>

Noncurrent Assets

Capital Assets (Net)		<u>69,633,710</u>
Total Assets		<u>87,338,552</u>

Deferred Outflows of Resources

Pensions		8,912,071
Other Post Employment Benefits		<u>1,921,292</u>
Total Deferred Outflows of Resources		<u>10,833,363</u>

Total Assets and Deferred Outflows of Resources	\$	<u>98,171,915</u>
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Liabilities

Current Liabilities

Accounts Payable	\$	2,130,144
Accrued Liabilities		522,030
Accrued Interest Payable		39,643
Due to Other Governments		616,353
Deferred Revenue		304,260
Notes Payable		22,924,327
Bond Anticipation Note Payable		1,575,849
Current Portion of Long-Term Debt		<u>550,000</u>
Total Current Liabilities		<u>28,662,606</u>

Noncurrent Liabilities

Serial Bonds Payable		2,230,000
Compensated Absences		662,738
Judgements and Claims Payable		2,939,615
Net Pension Liability - Proportionate Share		1,799,301
Post Employment Benefits other than Pensions		<u>28,374,407</u>
Total Noncurrent Liabilities		<u>36,006,061</u>

Total Liabilities		<u>64,668,667</u>
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Deferred Inflows of Resources

Pensions		9,460,290
Other Post Employment Benefits		<u>4,546,486</u>
Total Deferred Inflows of Resources		<u>14,006,776</u>

Net Position

Invested in Capital Assets, Net of Related Debt		42,353,534
Restricted for Reserves		908,433
Unrestricted (Deficit)		<u>(23,765,495)</u>
Total Net Position		<u>19,496,472</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position	\$	<u>98,171,915</u>
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See notes to financial statements.

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenditures	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General Government Support	\$ 1,683,197	\$ 79,702	\$ 1,708,659	\$ 8,414,736	\$ 8,519,900
Public Safety and Health	4,518,961	326,602	-	858,694	(3,333,665)
Transportation	2,679,991	81,707	775,825	-	(1,822,459)
Economic Assistance and Opportunity	158,616	-	-	-	(158,616)
Culture and Recreation	813,586	35,000	88,555	-	(690,031)
Home and Community Services	2,335,799	5,194,803	179,964	-	3,038,968
Interest on Debt	131,634	-	-	-	(131,634)
Total Functions and Programs	\$ 12,321,784	\$ 5,717,814	\$ 2,753,003	\$ 9,273,430	5,422,463
General Revenues					
Real Property Taxes					\$ 5,146,274
Real Property Tax Items					298,785
Non-Property Tax Items					4,978,637
Departmental Income					269,886
Use of Money and Property					81,407
Licenses and Permits					74,457
Fines and Forfeitures					12,926
Sale of Property and Compensation for Losses					190,908
Miscellaneous Local Sources					330,004
State Aid not Restricted to Specific Programs					71,500
Total General Revenues					11,454,784
Change in Net Position					16,877,247
Total Net Position - Beginning of Year					<u>2,619,225</u>
Total Net Position - End of Year					<u>\$ 19,496,472</u>

CITY OF OGDENSBURG, NEW YORK

**BALANCE SHEETS - GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital</u>	<u>Total Governmental Funds</u>
Assets				
Cash - Unrestricted	\$ 4,352,795	\$ 5,805,672	\$ 1,367,895	\$ 11,526,362
Cash - Restricted	31,256	253,194	623,994	908,444
Taxes Receivable (Net of Allowance of \$ 350,000)	1,477,713	-	-	1,477,713
Other Receivables	189,787	664,569	38,428	892,784
State and Federal Receivables	-	-	1,223,452	1,223,452
Due from Other Funds	218,938	274,000	35,530	528,468
Due from Fiduciary Funds	59,041	-	-	59,041
Due from Other Governments	1,599,408	-	-	1,599,408
Prepaid Expenses	17,638	-	-	17,638
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 7,946,576</u>	<u>\$ 6,997,435</u>	<u>\$ 3,289,299</u>	<u>\$ 18,233,310</u>
 Liabilities and Fund Balances				
Accounts Payable	\$ 207,117	\$ 87,280	\$ 1,835,747	\$ 2,130,144
Accrued Liabilities	451,780	70,250	-	522,030
Accrued Interest Payable	39,643	-	-	39,643
Note Payable	-	-	22,924,327	22,924,327
Bond Anticipation Note Payable	-	-	1,575,849	1,575,849
Due to Other Funds	186,530	218,638	123,300	528,468
Due to Other Governments	616,353	-	-	616,353
Deferred Revenue	304,260	-	-	304,260
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,805,683</u>	<u>376,168</u>	<u>26,459,223</u>	<u>28,641,074</u>
 Fund Balances				
Nonspendable	17,638	-	-	17,638
Restricted	31,256	253,183	623,994	908,433
Assigned	230,841	-	-	230,841
Unassigned	5,861,158	6,368,084	(23,793,918)	(11,564,676)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>6,140,893</u>	<u>6,621,267</u>	<u>(23,169,924)</u>	<u>(10,407,764)</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 7,946,576</u>	<u>\$ 6,997,435</u>	<u>\$ 3,289,299</u>	<u>\$ 18,233,310</u>

See notes to financial statements.

CITY OF OGDENSBURG, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Fund Balances (Deficit) - Total Governmental Funds		\$ (10,407,764)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.		69,633,710
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds Payable		(2,780,000)
Compensated Absences		(662,738)
Judgements and Claims Payable		(2,939,615)
Pension obligation activity:		
Net pension liability - Proportionate share	(1,799,301)	
Deferred outflows of resources	8,912,071	
Deferred inflows of resources	<u>(9,460,290)</u>	
		(2,347,520)
Other postemployment benefit activity:		
Total other post employment benefit liability	(28,374,407)	
Deferred outflows of resources	1,921,292	
Deferred inflows of resources	<u>(4,546,486)</u>	
		<u>(30,999,601)</u>
Net Position of Governmental Activities		<u>\$ 19,496,472</u>

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital</u>	<u>Total Governmental Funds</u>
REVENUES				
Real Property Taxes	\$ 5,035,774	\$ 110,500	\$ -	\$ 5,146,274
Real Property Tax Items	298,785	-	-	298,785
Non-Property Tax Items	4,978,637	-	-	4,978,637
Departmental Income	682,548	5,212,058	-	5,894,606
Intergovernmental Charges	332,633	-	-	332,633
Use of Money and Property	80,813	91	503	81,407
Licences and Permits	74,457	-	-	74,457
Fines and Forfeitures	12,926	-	-	12,926
Sale of Property and Compensation for Losses	171,578	19,330	-	190,908
Miscellaneous Local Sources	69,004	211,555	38,649	319,208
State Aid	3,373,242	28,026	8,376,087	11,777,355
Federal Aid	63,346	28,488	-	91,834
	<u>15,173,743</u>	<u>5,610,048</u>	<u>8,415,239</u>	<u>29,199,030</u>
Total Revenues				
EXPENDITURES				
General Government Support	1,850,395	177,783	-	2,028,178
Public Safety and Health	7,991,510	-	-	7,991,510
Transportation	2,529,701	-	399,720	2,929,421
Economic Assistance and Opportunity	158,616	-	-	158,616
Culture and Recreation	436,899	458,369	5,793	901,061
Home and Community Services	143,757	2,924,161	12,199,311	15,267,229
Employee Benefits	18,282	-	-	18,282
Debt Service: Principal	228,853	306,147	-	535,000
Debt Service: Interest	87,753	43,881	-	131,634
	<u>13,445,766</u>	<u>3,910,341</u>	<u>12,604,824</u>	<u>29,960,931</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	1,727,977	1,699,707	(4,189,585)	(761,901)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	815,328	487,000	121,498	1,423,826
Operating Transfers Out	(438,498)	(985,328)	-	(1,423,826)
	<u>376,830</u>	<u>(498,328)</u>	<u>121,498</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	2,104,807	1,201,379	(4,068,087)	(761,901)
Fund Balance - Beginning of Year	<u>4,036,086</u>	<u>5,419,888</u>	<u>(19,101,837)</u>	<u>(9,645,863)</u>
Fund Balance - End of Year	<u>\$ 6,140,893</u>	<u>\$ 6,621,267</u>	<u>\$(23,169,924)</u>	<u>\$ (10,407,764)</u>

CITY OF OGDENSBURG, NEW YORK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (761,901)

Amounts reported for governmental activities in the Statement of Net Position are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than \$ 10,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of related losses on disposal of capital assets.

Capital Outlays	12,641,152	
Depreciation Expense	(1,770,541)	
(Gain) loss on disposal	<u>(10,584)</u>	
		10,860,027

Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period. 752,182

(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the Governmental Funds. (30,456)

(Increases) decreases in judgements and claims payable reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the Governmental Funds. 691,248

On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported whereas on the Governmental Funds only the actual expenditures are recorded for post employment benefits. 4,955,465

(Increases) decreases in proportionate share of net pension assets/liabilities, prepaid pension expenditures, and deferred outflows/inflows of resources - pensions reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the Governmental Funds.

Police and Fire Retirement System	172,836	
Employees' Retirement System	<u>237,846</u>	
		<u>410,682</u>

Change in Net Position of Governmental Activities \$ 16,877,247

CITY OF OGDENSBURG, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2021

	Custodial Funds
Assets	
Cash - Unrestricted	\$ 63,124
Total Assets	\$ 63,124
 Liabilities	
Due to Local Governments	\$ 593
Deposits held for Crescent Legacy Project	3,490
Due to Other Funds	59,041
Total Liabilities	\$ 63,124

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Funds</u>
Additions	
Fees Collected for Other Governments	\$ <u>593</u>
Deductions	
Payments of Fees to Other Governments	<u>593</u>
Net Increase (Decrease) in Fiduciary Net Position	-
Total Net Position - Beginning of Year	<u>-</u>
Total Net Position - End of Year	<u><u>\$ -</u></u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ogdensburg, New York have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Certain significant accounting principles utilized by the City are described below:

Financial Reporting Entity

The City of Ogdensburg (City) is governed by the Charter of the City of Ogdensburg, the general City law and other general laws of the State of New York and various local laws and ordinances. The Council, which is the legislative body responsible for the overall operation of the City, consists of the Mayor and six councilors. The City Manager serves as chief executive officer and the Comptroller serves as chief fiscal officer of the City.

The following basic services are provided: general government, police and fire protection, public works, recreation and infrastructure maintenance and development.

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

The financial reporting entity consists of: a) The primary government which is the City, b) Organizations for which the primary government is financially accountable, and c) Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth in GASB 14, 39, and 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the City's reporting entity.

The Ogdensburg Public Library was established by the City and chartered by the Board of Regents under the New York State Education Law. Although the Mayor of the City appoints library trustees and the City contributes to the support of the Library, City officials do not have the power or duty to designate library management and the City has limited accountability for library fiscal matters.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Frederic Remington Art Museum was established by the City and granted a charter by the Board of Regents as provided in Article 5 of the Education Law. Members of the Museum's board of trustees are appointed by the Mayor, and the City contributes to the support of the museum. However, the City does not exercise significant oversight responsibility with respect to the museum and has limited accountability for its fiscal matters.

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

The Ogdensburg Public Housing Authority was created in 1957 by the New York State Legislature. The governing board of the Authority is appointed by the City. The City provides no subsidy to the Authority nor is it responsible for debt or operating deficits of the Authority. The Authority's debt is essentially supported by operating revenues of the Authority and is not guaranteed by the City. The City does not appoint management of the Authority nor does it approve the Authority's budget or hiring of staff. The City has no oversight responsibility for funds of the Authority.

Basis of Presentation

Government-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the City's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, departmental income, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF OGDENSBURG, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, water and sewer, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the City acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the City, and are not available to be used.

Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the City's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

Property Taxes

Real property taxes for City purposes are levied annually based on City budget requirements. City taxes, including re-levied items and county taxes, are due and payable in two installments, May 15 and August 15. The City remits to the county taxes collected on or before May 25 and December 1, of the current year. Taxes delinquent after these dates are remitted to the County by the 30th day of the month collected. Real property taxes not paid within a timely period are generally included in City tax sale proceedings and the City may ultimately take title to parcels in respect to which taxes have not been paid.

Delinquent Ogdensburg City School District taxes are also collected by the City. Unpaid school district taxes are subject to tax sale proceedings. The school district is made whole at the time of collection.

At December 31, 2021, real property tax receivables were \$ 1,477,713. Returned school taxes are offset by a liability to the school district in the same amount.

An allowance for uncollectible taxes of \$ 350,000 has been included in the General Fund accounts receivable balance at December 31, 2021. Amounts considered to be uncollectible are based on specific knowledge related to particular parcels.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are shown net, with uncollectible amounts determined by management. No allowance for uncollectible accounts has been recorded in these financial statements since it is believed that such an allowance would not be material.

Due To/From Other Funds

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to 1990. For assets acquired prior to 1990, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 10,000	Straight Line (SL)	40 yr. (varies)
Building Improvements	\$ 10,000	SL	40 yr. (varies)
Site Improvements	\$ 10,000	SL	40 yr. (varies)
Furniture and Equipment	\$ 10,000	SL	5 - 15 yr.
Infrastructure	\$ 10,000	SL	40 yr. (varies)

Vested Employee Benefits

The City employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in first-out (LIFO) basis.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits (Continued)

Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

An accrual for accumulated vacation and sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

City employees participate in the New York State and Local Retirement System and the New York State and Local Police and Fire Retirement System.

In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City.

Postemployment Benefits Other Than Pensions (OPEB)

In addition to providing the retirement benefits described above, the City provides postemployment health insurance coverage to its retired employees and their survivors. The payment of this benefit is not governed by any employment contract and is done at the discretion of the City Council. The Statement of Net Position reports amounts for deferred outflows/inflows and liabilities related to OPEB.

Budgetary Procedures and Budgetary Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The City employs the following budgetary procedures:

- a. No later than November 1, the City Manager submits a tentative budget to the Council for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the City, except the Insurance Fund.
- b. After public hearings are conducted to obtain taxpayer comments, but not later than December 20, the governing board adopts the budget.
- c. All revisions that alter appropriations of any department or fund must be approved by the governing board. However, the comptroller is authorized to transfer certain budgeted amounts within departments, provided such transfer does not exceed 5% of the department's budget and is reported to the council at its next meeting.
- d. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrance Accounting

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 the governmental funds.

Encumbrances are reported as reservations 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.

Deferred Revenue

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

Statute provides the authority for the City to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenues in the subsequent fiscal year, rather than when measurable and available.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

Fund Balance – Reservations and Designations

In the government-wide financial statements, the difference between the City's total assets and total liabilities represents net position. Net position displays three components – invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net assets represent the net assets available for future operations.

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the City council members through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the City council. Assigned fund balance is a limitation imposed by the City council. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

Inventories

Purchases of inventorable items are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Insurance

The City of Ogdensburg self-insures against liability for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or availability has been incurred and the amount of loss can be reasonably estimated.

Use of Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in several areas, including the computation of compensated absences, potential contingent liabilities, self-insurance accruals and useful lives of long-lived assets.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows / Inflows of Resources Related to Pension and OPEB

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

Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from the differences between projected and actual earnings on the respective pension plan investments are amortized to pension expense over a closed five-year period. Deferred inflows of resources and deferred outflows of resources related to pensions/Other Post-Employment Benefit (OPEB) that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension/OPEB plan's total pension/OPEB liability are amortized to pension/OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions/OPEB through the respective pension/OPEB plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension/OPEB plan from the employer subsequent to the measurement date of net pension/OPEB liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions/OPEB and amortized over twelve months. This contribution is included as an increase in the respective pension/OPEB plan fiduciary net position in the subsequent fiscal year.

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the City's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheets.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance, and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1. *Long-Term Revenue and Expense Differences:*
Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
2. *Capital Related Differences:*
Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
3. *Long-Term Debt Transaction Differences:*
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 3 - CASH AND INVESTMENTS

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policy. City monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The comptroller 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 New York State or its localities.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash on Deposit/Collateral

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit 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. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreements.

For the purposes of reporting cash flow, cash equivalents are defined as short-term, high liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits are valued at cost or cost plus interest and are categorized as either (1) Insured or collateralized with securities held by the City or by its agent in the City's name; (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the City's name; or (3) Uncollateralized.

Total financial institution (bank) balances at December 31, 2021, per the banks were \$ 3,817,049. These deposits are categorized as follows:

1	2	3	Total
\$ <u>250,000</u>	\$ <u>3,562,980</u>	\$ <u>4,069</u>	\$ <u>3,817,049</u>

1. Unrestricted Cash - At December 31, 2021, unrestricted cash consisted of the following:

	<u>Checking Accounts</u>	<u>Savings Account</u>	<u>Petty Cash</u>	<u>Total</u>
General	\$ 4,352,150	\$ -	\$ 645	\$ 4,352,795
Special Revenue				
Community				
Development	-	50,893	-	50,893
Library/ Remington	88,868	-	100	88,968
Sewer	2,762,725	-	-	2,762,725
Water	2,160,727	-	-	2,160,727
Insurance	742,359	-	-	742,359
Capital	<u>1,367,895</u>	<u>-</u>	<u>-</u>	<u>1,367,895</u>
Total	\$ <u>11,488,396</u>	\$ <u>50,893</u>	\$ <u>745</u>	\$ <u>11,526,362</u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash on Deposit/Collateral (Continued)

2. Restricted Cash - Restricted cash of \$ 57,803 in the Special Revenue (Insurance) Fund is being held for future unemployment insurance claims, \$ 195,391 in the Community Development Fund is being held for community development projects and \$ 623,994 in the Capital Fund is being held for capital projects. The General Fund has restricted cash of \$ 31,256 held for various reserves described in Note 8 - Fund Equity. Total restricted cash is \$ 908,444.

3. Investment Pool - The City participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of its cash in cooperation with other participants. At December 31, 2021, the City's share, \$ 8,880,383, of the pooled investments consisted of various investments in securities issued by the United States and its agencies. The investments are highly liquid and are considered to be cash equivalents and are included in the unrestricted and restricted amounts referred to above. The amount of investments by fund are as follows:

	<u>Amount</u>	
General Fund	\$ 8,547,096	Investment Pool
Capital Projects Fund	250,946	Investment Pool
Community Development Fund	<u>82,341</u>	Investment Pool
	<u>\$ 8,880,383</u>	

The investment pool is categorically exempt from the New York State collateralization requirements.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	<u>Balance at</u> <u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>12/31/21</u>
Governmental Activities				
Non-Depreciable				
Capital Assets				
Land	\$ 6,776,899	\$ -	\$ -	\$ 6,776,899
Construction in Progress	<u>24,246,517</u>	<u>12,641,152</u>	<u>-</u>	<u>36,887,669</u>
Total	<u>31,023,416</u>	<u>12,641,152</u>	<u>-</u>	<u>43,664,568</u>
Depreciable				
Capital Assets				
Land Improvements	10,341,926	-	-	10,341,926
Buildings and Improvements	16,254,883	-	-	16,254,883
Infrastructure	38,809,762	-	-	38,809,762
Machinery and Equipment	18,987,693	-	-	18,987,693
Vehicles	<u>5,052,872</u>	<u>-</u>	<u>(270,539)</u>	<u>4,782,333</u>
Total	<u>89,447,136</u>	<u>-</u>	<u>(270,539)</u>	<u>89,176,597</u>
Less: Accumulated Depreciation				
Land Improvements	6,980,040	247,530	-	7,227,570
Buildings and Improvements	8,363,799	310,629	-	8,674,428
Infrastructure	25,382,881	666,685	-	26,049,566
Machinery and Equipment	16,831,914	275,026	-	17,106,940
Vehicles	<u>4,138,235</u>	<u>270,671</u>	<u>(259,955)</u>	<u>4,148,951</u>
Total	<u>61,696,869</u>	<u>1,770,541</u>	<u>10,584</u>	<u>63,207,455</u>
Depreciable Capital Assets (Net)	<u>27,750,267</u>			<u>25,969,142</u>
Total	<u>\$ 58,773,683</u>			<u>\$ 69,633,710</u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Function/Program	
General Governmental Support	\$ 63,526
Public Safety	299,786
Transportation	675,514
Culture and Recreation	268,467
Home and Community	<u>463,248</u>
 Total Depreciation	 <u>\$ 1,770,541</u>

NOTE 5 - SHORT-TERM DEBT

Bond Anticipation Notes - Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two 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.

The following is an analysis of BAN's outstanding as of December 31, 2021.

<u>Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Outstanding</u>
Capital Fund	4/22/21	\$ 1,160,000	4/23/22	2.375%	\$ 1,160,000
Capital Fund	3/11/21	415,849	3/11/22	3.250%	<u>415,849</u>
					<u>\$ 1,575,849</u>

The changes in BAN's during the year are as follows:

<u>Description</u>	<u>Balance at 12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/21</u>
Capital Fund	\$ 1,700,000	\$ 1,575,849	\$ 1,700,000	<u>\$ 1,575,849</u>

Tax Anticipation Notes - General Fund - The City does not have any outstanding tax anticipation notes outstanding at December 31, 2021.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 - SHORT-TERM DEBT (Continued)

Due to Other Governments

At December 31, 2021, Due to Other Governments consisted of the following:

Ogdensburg City School District	\$	203,089
St. Lawrence County		<u>413,264</u>
		<u><u>\$ 616,353</u></u>

NOTE 6 - LONG-TERM DEBT

Serial Bonds - The City borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities which are full faith and credit debt of the City are recorded in the general long-term debt account group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Other Long-Term Debt - Compensated absences - represents the value of the earned and unused portion of the liability for employee compensated absences.

Capital Leases - The City has the following capital lease obligations:

- Five-year lease dated December 23, 2018 in the amount of \$ 147,207 with interest at 4.97% per annum and annual payments of \$ 32,954 for the purchase of a 2019 John Deere Trackless MT7 Tractor, the remaining balance of \$ 89,795 was paid off during 2021.
- Five-year lease dated October 28, 2019 in the amount of \$ 212,473 with interest at 3.438% per annum and annual payments of \$ 45,415 for the purchase of a 2019 International Chassis Truck, the remaining balance of \$ 127,387 was paid off during 2021.

The following is a summary of long-term liabilities outstanding at December 31, 2021:

Serial Bonds – Noncurrent Portion	\$	2,230,000
Compensated Absence		662,738
Judgements and Claims		2,939,615
Net Pension Liability – Proportionate Share		1,799,301
OPEB		<u>28,374,407</u>
Total Long-Term Liabilities		<u><u>\$ 36,006,061</u></u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 - LONG-TERM DEBT (Continued)

The following is a summary of changes in Long-Term Liabilities for the period ended December 31, 2021.

	Balance at 12/31/20	Increases	Decreases	Balance at 12/31/21	Due Within One Year
Serial Bonds	\$ 3,315,000	\$ -	\$ 535,000	\$ 2,780,000	\$ 550,000
Capital Leases	217,182	-	217,182	-	-
Compensated Absences	632,282	30,456	-	662,738	-
Judgements and Claims	3,630,863	-	691,248	2,939,615	-
Net Pension Liability	9,220,834	-	7,421,533	1,799,301	-
OPEB	31,028,104	-	2,653,697	28,374,407	-
	<u>\$ 48,044,265</u>	<u>\$ 30,456</u>	<u>\$ 11,518,660</u>	<u>\$ 36,556,061</u>	<u>\$ 550,000</u>

Long-Term Maturity Schedule - The following is a statement of serial bonds with corresponding schedules:

Description	Issued	Original Amount	Variable Interest Rate	Final Maturity	Outstanding 12/31/2021
Elizabeth Street Reconstruction	2012	\$ 1,292,905	2.75%	2023	\$ 258,066
Caroline Street Sewer	2012	42,160	2.75%	2023	8,415
Sewage Treatment Plant	2012	579,699	2.75%	2023	115,709
Water Tower Painting	2012	221,339	2.75%	2023	44,179
Mansion Avenue Transmission	2012	158,097	2.75%	2023	31,556
New Park Recreation Area	2012	210,800	2.75%	2023	42,075
Visitors Center	2016	1,074,500	2.00%	2027	612,100
City Hall	2016	307,200	2.00%	2027	175,100
Redevelopment of Property	2016	303,300	2.00%	2027	172,800
Fire Fighting Vehicle	2018	271,000	5.0%	2028	203,000
Library Improvements	2018	76,000	5.0%	2028	58,000
Ice Surfacing Machine	2018	91,000	5.0%	2028	69,000
Weir Modification & Improvements	2019	349,000	3.0%	2029	295,000
Patterson Street Project	2019	830,000	3.0%	2029	695,000
Sub Total					<u>2,780,000</u>
Current Portion of Long-Term Debt					<u>(550,000)</u>
Noncurrent Portion of Long-Term Debt					<u>\$ 2,230,000</u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 - LONG-TERM DEBT (Continued)

The following tables summarize the City's future debt service requirements as of December 31, 2021:

	<u>Serial Bonds</u>	
Year End Date	<u>Principal</u>	<u>Interest</u>
2022	\$ 550,000	\$ 81,138
2023	550,000	65,006
2024	320,000	51,638
2025	330,000	41,900
2026	350,000	30,600
2027 – 2030	<u>680,000</u>	<u>29,538</u>
	<u>\$ 2,780,000</u>	<u>\$ 299,820</u>

Debt Limits

At December 31, 2021, the total outstanding indebtedness of the City aggregated \$ 4,355,849. Of this amount, \$ 4,074,684 was subject to the constitutional debt limit and represented approximately 20.56% of its statutory debt limit.

NOTE 7 - INTERFUND RECEIVABLE AND PAYABLES

Interfund receivables and payables at December 31, 2021 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 218,938	\$ 186,530
Capital Projects	35,530	123,300
Special Revenue		
Water	123,000	
Library/Remington	<u>151,000</u>	<u>218,638</u>
Total	<u>\$ 528,468</u>	<u>\$ 528,468</u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 - FUND EQUITY

For flow assumption policy regarding use of fund balance types, refer to NOTE 1.

Restricted for	
Unemployment Insurance	\$ 57,792 (Insurance Fund)
Community Development Projects	195,391 (CD Fund)
Capital Projects	623,994 (Capital Fund)
Asset Forfeiture	<u>31,256 (General)</u>
Total Restricted Fund Balance	<u>\$ 908,433</u>
Unassigned	
General	\$ 5,861,158
Community Development	50,893
Insurance Reserve	742,046
Water	2,532,153
Sewer	3,009,321
Library/Remington	33,671
Capital	<u>(23,793,918)</u>
Total Unassigned Fund Balance	<u>\$ (11,564,676)</u>

City employees are entitled to coverage under the Unemployment Insurance Law. The City has elected to discharge its liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for benefits paid to former City employees and charged to the City's account.

The City has established an unemployment insurance payment reserve fund. This reserve, accounted for in the Insurance Fund, had a balance of \$ 57,792 at December 31, 2021.

NOTE 9 - DEFERRED COMPENSATION

Employees of the City may elect to participate in the ICMA RC Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

As of December 31, 2021, the market value of the assets of the plan totaled \$7,311,919. In accordance with Section 457 of the Code, all amounts of Compensation deferred or contributed under the Plan, all property and rights purchased with such amounts and all income attributable to such amounts, and all other property and rights are held in trust for the exclusive benefit of Participants and their Beneficiaries and Alternate Payees pursuant to the Trust Agreement. This amount is reflected as an Agency Fund asset along with a corresponding liability to the employees participating in the plan.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS

Plan Descriptions and Benefits Provided

The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan 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. 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 City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent 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 benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

Tiers 6 (Continued)

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

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.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

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) ERS 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.

Contributions

The System is noncontributory except for employees who joined the ERS after July 27, 1976, who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>CONTRIBUTIONS</u>	<u>PFRS</u>	<u>ERS</u>
2021	\$ 861,453	\$ 504,214
2020	\$ 821,526	\$ 505,408
2019	\$ 869,044	\$ 570,135

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2021, the City reported a liability of \$ 1,786,377 and \$ 12,924 for its proportionate share of the net pension liability for PFRS and ERS, respectively. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2021 the City's PFRS proportion was .1028 %, which was an decrease of .45 % from its proportion measured as of December 31, 2020.

At December 31, 2021 the City's ERS proportion was .0129 %, which was a decrease of .0002 % from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the City recognized pension income of \$ 172,836 for PFRS and \$ 237,846 for ERS. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		Deferred Inflows	
	PFRS	ERS	PFRS	ERS
Difference Between Expected Actual Experience	\$ 396,388	\$ 157,840	\$ -	\$ -
Changes of Assumptions	4,388,935	2,376,344	-	44,819
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	5,252,737	3,712,593
Changes in Proportion and Difference Between the City's Contributions and Proportionate Share of Contributions	32,068	3,114	368,049	82,092
Employer Contributions Subsequent to the Measurement Date	1,048,155	509,227	-	-
Total	\$ 5,865,546	\$ 3,046,525	\$5,620,786	\$ 3,839,504

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

\$ 1,048,155 and \$ 509,227 reported as deferred outflows of resources related to pensions resulting from the City's contributions to PFRS and ERS, respectively, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	PFRS	ERS
2022	\$ (311,735)	\$ (249,962)
2023	(103,992)	(103,571)
2024	(242,739)	(223,542)
2025	(982,573)	(725,129)
2026	837,643	-
Thereafter	-	-

ACTUARIAL ASSUMPTIONS

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuations used the following actuarial assumptions:

	PFRS	ERS
Interest Rate	1.4%	1.4%
Salary Scale	6.2%	4.4%
Investment Rate of Return (net of investment expense, including inflation)	5.9%	5.9%
Inflation Rate	2.7%	2.7%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. The previous actuarial valuation as of April 1, 2019 used April 1, 2010 - March 31, 2015 System experience, with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

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

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

ACTUARIAL ASSUMPTIONS (Continued)

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

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32%	4.05%
International Equity	15%	6.30%
Private Equity	10%	6.75%
Real Estate	9%	4.95%
Opportunistic/ARS Portfolio	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%

The real rate of return is net of the long-term inflation assumption of 2.00 percent.

*Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

DISCOUNT RATE

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

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - PENSION OBLIGATIONS (Continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.9% for PFRS and ERS, as well as what the City's proportionate share of the net pension asset (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:

	1% Decrease (4.9)%	Current Assumption (5.9)%	1% Increase (6.9)%
PFRS			
City's Proportionate Share of the Net Pension Asset (Liability)	\$ (7,596,682)	\$ (1,786,377)	\$ 3,023,054
ERS			
City's Proportionate Share of the Net Pension Asset (Liability)	\$ (3,587,259)	\$ (12,924)	\$ 3,283,449

PENSION PLAN FIDUCIARY NET POSITION

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

	PFRS	ERS	TOTAL
Employers' Total Pension (Liability)	\$ (41,236,775,000)	\$ (220,680,157,000)	\$ (261,916,932,000)
Fiduciary Net Position	39,500,500,000	220,580,583,000	260,081,083,000
Employers' Net Pension Asset (Liability)	\$ (1,736,275,000)	\$ (99,574,000)	\$ (1,835,849,000)
Ration of Plan Net Position to the Employers' Total Pension Asset (Liability)	95.79%	99.95%	99.30%

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

In addition to providing pension benefits, the City provides certain health care benefits for its retirees. The City's OPEB plan is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City provides healthcare benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses.

At December 31, 2021, the following employees were covered by the benefit terms:

Active not eligible to retire	88
Active eligible to retire	10
Inactive employees entitled to but not yet receiving benefit payments	0
Retired and surviving spouses	125
Retired spouses covered	<u>40</u>
	<u>263</u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2021; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 31, 2021.

The total OPEB liability in the December 31, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.44%
Salary Increases	3.44%
Discount Rate	2.19 %
Healthcare Cost Trend Rates	6.10%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, as appropriate, with adjustments for mortality improvements based on MP-2021, fully generational.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2020	\$ 31,028,104
Changes for the Year	
Service Cost	427,632
Interest	725,876
Changes of Benefit Terms	-
Differences between Expected and Actual Experience	(3,406,846)
Changes in Assumptions of Other Inputs	936,043
Benefit Payments	(1,336,402)
Net Changes	(2,653,697)
Balance at December 31, 2021	\$ 28,374,407

Changes of assumptions and other inputs reflect a change in the discount rate from 2.41% in 2020 to 2.19% in 2021.

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.41%) or 1-percentage-point higher (3.41%) than the current discount rate:

	1% Decrease (1.19%)	Current (2.19%)	1% Increase (3.19%)
Total OPEB Liability	\$ 32,816,924	\$ 28,374,407	\$ 24,821,885

The following presents the total OPEB liability of the City, as well as what the City'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	1% Increase
Total OPEB Liability	\$ 24,307,521	\$ 28,374,407	\$ 33,541,140

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$ 3,469,327. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 4,546,486
Change of Assumptions or Other Inputs	1,583,520	-
Employer Contributions Subsequent to the Measurement Date	<u>337,772</u>	<u>-</u>
Total	<u>\$ 1,921,292</u>	<u>\$ 4,546,486</u>

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

December 31, 2022	\$ (2,392,779)
2023	(570,187)
Thereafter	<u>-</u>
	<u>\$ (2,962,966)</u>

NOTE 12 - CONSTITUTIONAL TAX LIMIT

The constitution of the State of New York limits the amount of real property taxes which in any fiscal year not to exceed 2% of the average full valuation of taxable real estate within such City. At December 31, 2021, the City had exhausted 84.53%, of its constitutional tax limit.

NOTE 13 - OPERATING LEASES

As of December 31, 2021, the City leases fifteen vehicles under the terms of a non-cancelable Master Equity Lease Agreement with Enterprise Fleet Management. Rental expense for the year 2021 was \$ 77,508. Minimum annual rentals for each of the remaining years of the lease are:

For fiscal years ended December 31,

2022	\$	119,408
2023		119,408
2024		119,408
2025		92,161
2026		<u>12,744</u>
		<u>\$ 463,129</u>

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 - OPERATING LEASES (Continued)

The City leases certain copiers under the terms of various non-cancelable leases. Rental expense for the year 2021 was \$ 10,637. Minimum annual rentals for each of the remaining years of the leases are:

For fiscal years ended December 31,

2022	\$	13,839
2023		12,306
2024		11,520
2025		<u>8,318</u>
	\$	<u>45,983</u>

NOTE 14 - CONTINGENCIES
State and Federal Aid

The local government 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 local government administration believes disallowances, if any, will be immaterial.

Other Claims

The City is currently named as a defendant in court actions. Any possible liability, as advised by counsel, is too early in the process to properly estimate or form an opinion upon, and has not been included in the current financial statements.

NOTE 15 - COVID-19 UNCERTAINTY

COVID-19 continues to cause financial market unrest and economic disruptions. The future impact of this event on the City's operations remains unknown.

NOTE 16 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from January 1, 2022 through February XX, 2023, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Additional Debt

On May 5, 2022 the City entered into a project finance agreement with the Environmental Facilities Corporation in the amount of \$ 19,600,000 for improvements to the waste water treatment plant. This note will be payable over 30 years and bears no interest.

On November 22, 2022 a serial bond was issued in the amount of \$ 12,788,820 to finance costs of the waste water treatment plant. The bond will be payable over 30 years and the interest rate ranges from 3.117% to 4.886% over the life of the bond.

Both debt issuances will be repaid by the Sewer Fund.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 - SUBSEQUENT EVENTS (Continued)

Sales Tax

Effective March 1, 2022 the City of Ogdensburg has elected to pre-empt sales tax revenue for all sales made within the City of Ogdensburg. The City is entitled to 1.5% of all sales tax collected within the City limits from New York State. St. Lawrence County has elected to share .5% of sales tax collected within the City limits under the “Home Rule” with the City of Ogdensburg. Previous to pre-emption, the City received 6.44% of all sales tax collected in St. Lawrence Count based upon a ten-year sharing agreement with the County.

Arbitration Decision

In December 2022 the City was notified an arbitrator ruled in favor of the local International Association of Fire Fighters’ union in a contract dispute. The arbitration decision calls for an award in excess of \$ 500,000. The City and the Union have 90 days to reach a mutual agreement on the award. This award covers the years 2021 and 2022. No provision has been made in the financial statements regarding this award.

CITY OF OGDENSBURG, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance With Budgetary Actual</u>
Revenues				
Real Property Taxes	\$ 5,123,438	\$ 5,123,438	\$ 5,035,774	\$ (87,664)
Real Property Tax Items	220,662	220,662	298,785	78,123
Non Property Tax Items	4,007,235	4,007,235	4,978,637	971,402
Departmental Income	356,550	356,550	682,548	325,998
Inter-Governmental Charges	315,000	315,000	332,633	17,633
Use of Money and Property	103,660	103,660	80,813	(22,847)
Licenses and Permits	45,985	45,985	74,457	28,472
Fines and Forfeitures	16,000	16,000	12,926	(3,074)
Sale of Property and Compensation for Loss	5,500	5,500	171,578	166,078
Miscellaneous Local Sources	21,000	21,000	69,004	48,004
State Aid	2,617,659	4,483,437	3,373,242	(1,110,195)
Federal Aid	106,000	639,002	63,346	(575,656)
	<u>12,938,689</u>	<u>15,337,469</u>	<u>15,173,743</u>	<u>(163,726)</u>
Expenditures				
General Government Support	1,769,489	1,970,989	1,850,395	120,594
Public Safety	7,401,808	7,987,095	7,991,510	(4,415)
Transportation	2,530,597	2,647,588	2,529,701	117,887
Economic Assistance and Opportunity	24,600	158,616	158,616	-
Culture and Recreation	517,118	436,448	436,899	(451)
Home and Community Services	269,221	143,757	143,757	-
Employee Benefits	296,000	250,282	18,282	232,000
Contingency	88,402	2,241,414	-	2,241,414
Debt Service	856,780	316,606	316,606	-
	<u>13,754,015</u>	<u>16,152,795</u>	<u>13,445,766</u>	<u>2,707,029</u>
Excess (Deficit) of Revenues over Expenditures	(815,326)	(815,326)	1,727,977	2,543,303
Other Financing Sources (Uses)				
Operating Transfers In	815,326	815,326	815,328	(2)
Operating Transfer Out	-	-	(438,498)	438,498
	<u>815,326</u>	<u>815,326</u>	<u>376,830</u>	<u>438,496</u>
Excess (Deficit) of Revenues over Expenditures, Encumbrances and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	2,104,807	<u>2,981,799</u>
Fund Balance - Beginning			<u>4,036,086</u>	
Fund Balance - Ending			<u>\$ 6,140,893</u>	

CITY OF OGDENSBURG, NEW YORK

**SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NYSERS PENSION PLAN

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 504,214	\$ 505,408	\$ 570,135	\$ 579,911	\$ 632,444	\$ 679,374	\$ 731,222
Contributions in Relation to the Contractually Required Contribution	<u>504,214</u>	<u>505,408</u>	<u>570,135</u>	<u>579,911</u>	<u>632,444</u>	<u>679,374</u>	<u>731,222</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 3,351,398	\$ 3,691,056	\$ 3,585,532	\$ 3,505,396	\$ 3,501,378	\$ 3,629,300	\$ 3,688,044
Contribution as a Percentage of Covered- Employee Payroll	15.04%	13.69%	15.90%	16.54%	18.06%	18.72%	19.83%

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

NYSPPRS PENSION PLAN

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 861,453	\$ 821,526	\$ 869,044	\$ 877,639	\$ 859,686	\$ 889,920	\$ 935,238
Contributions in Relation to the Contractually Required Contribution	<u>861,453</u>	<u>821,526</u>	<u>869,044</u>	<u>877,639</u>	<u>859,686</u>	<u>889,920</u>	<u>935,238</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 3,884,799	\$ 3,839,686	\$ 4,446,777	\$ 4,453,011	\$ 4,264,365	\$ 4,190,224	\$ 4,317,194
Contribution as a Percentage of Covered- Employee Payroll	22.17%	21.40%	19.54%	19.71%	20.16%	21.24%	21.66%

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

See paragraph on supplemental schedules in auditor's report.

CITY OF OGDENSBURG, NEW YORK
SCHEDULE OF PROPORTIONATE SHARE OF
THE NET PENSION ASSET/LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021

NYSERS PENSION PLAN

	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability (Asset)	0.0129795%	0.0131576%	0.0138651%	0.0137224%	0.0141729%	0.0141709%	0.0138809%
City's Proportionate Share of the Net Pension Liability (Asset)	12,924	3,484,222	982,386	442,881	1,331,716	2,274,475	468,931
City's Covered-Employee Payroll	3,351,398	3,691,056	3,585,532	3,505,396	3,501,378	3,629,300	3,688,044
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.39%	94.40%	27.40%	12.63%	38.03%	62.67%	12.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	90.90%

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

NYSFRS PENSION PLAN

	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability (Asset)	0.1028855%	0.1073280%	0.1048440%	0.1069600%	0.1023936%	0.1090989%	0.2107100%
City's Proportionate Share of the Net Pension Liability (Asset)	1,786,377	5,736,612	1,758,301	1,081,106	2,122,262	3,230,185	285,607
City's Covered-Employee Payroll	3,884,799	3,839,686	4,446,777	4,453,011	4,264,365	4,190,224	4,317,194
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	45.98%	149.40%	39.54%	24.28%	49.77%	77.09%	6.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	90.20%

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

See paragraph on supplemental schedules in auditor's report.

CITY OF OGDENSBURG, NEW YORK

**SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Total OPEB Liability	<u>\$ 28,374,407</u>	<u>\$ 31,028,104</u>	<u>\$ 35,108,497</u>	<u>\$ 36,053,109</u>
Service Cost	427,632	630,904	629,309	715,319
Interest	725,876	949,060	1,362,134	1,438,734
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience in the Measurement of the Total OPEB Liability	(3,406,846)	(5,623,961)	(4,992,551)	(4,072,256)
Changes of Assumptions or Other Inputs	936,043	1,191,746	3,174,065	(2,420,046)
Expected Benefit Payments	<u>(1,336,402)</u>	<u>(1,228,142)</u>	<u>(1,117,569)</u>	<u>(1,095,228)</u>
Net Change in Total OPEB Liability	(2,653,697)	(4,080,393)	(944,612)	(5,433,477)
Total OPEB Liability - Beginning	<u>31,028,104</u>	<u>35,108,497</u>	<u>36,053,109</u>	<u>41,486,586</u>
Total OPEB Liability - Ending	<u>\$ 28,374,407</u>	<u>\$ 31,028,104</u>	<u>\$ 35,108,497</u>	<u>\$ 36,053,109</u>
Covered Payroll	<u>\$ 8,781,445</u>	<u>\$ 8,489,409</u>	<u>\$ 5,790,059</u>	<u>\$ 5,985,184</u>
Total OPEB Liability as a Percentage of Covered Payroll	323.12%	365.49%	606.36%	602.37%

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

CITY OF OGDENSBURG, NEW YORK

**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
DECEMBER 31, 2021**

	Community Development	Insurance Reserve Fund	Water Fund	Sewer Fund	Library/ Remington Fund	Totals
Assets						
Cash - Unrestricted	\$ 50,893	\$ 742,359	\$ 2,160,727	\$ 2,762,725	\$ 88,968	\$ 5,805,672
Cash - Restricted	195,391	57,803	-	-	-	253,194
Other Receivables	-	-	7,168	-	38,555	45,723
Water Rate Receivable	-	-	306,232	-	-	306,232
Sewer Rate Receivable	-	-	-	312,614	-	312,614
Due from Other Funds	-	-	123,000	-	151,000	274,000
	<u>-</u>	<u>-</u>	<u>123,000</u>	<u>-</u>	<u>151,000</u>	<u>274,000</u>
Total Assets	<u>\$ 246,284</u>	<u>\$ 800,162</u>	<u>\$ 2,597,127</u>	<u>\$ 3,075,339</u>	<u>\$ 278,523</u>	<u>\$ 6,997,435</u>
Liabilities						
Accounts Payable	\$ -	\$ 324	\$ 44,150	\$ 42,806	\$ -	\$ 87,280
Accrued Liabilities	-	-	20,824	23,212	26,214	70,250
Due to Other Funds	-	-	-	-	218,638	218,638
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,638</u>	<u>218,638</u>
Total Liabilities	<u>-</u>	<u>324</u>	<u>64,974</u>	<u>66,018</u>	<u>244,852</u>	<u>376,168</u>
Fund Balance						
Restricted	195,391	57,792	-	-	-	253,183
Unassigned	50,893	742,046	2,532,153	3,009,321	33,671	6,368,084
	<u>246,284</u>	<u>799,838</u>	<u>2,532,153</u>	<u>3,009,321</u>	<u>33,671</u>	<u>6,621,267</u>
Total Fund Balance	<u>246,284</u>	<u>799,838</u>	<u>2,532,153</u>	<u>3,009,321</u>	<u>33,671</u>	<u>6,621,267</u>
Total Liabilities and Fund Balance	<u>\$ 246,284</u>	<u>\$ 800,162</u>	<u>\$ 2,597,127</u>	<u>\$ 3,075,339</u>	<u>\$ 278,523</u>	<u>\$ 6,997,435</u>

CITY OF OGDENSBURG, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Community Development	Insurance Reserve Fund	Water Fund	Sewer Fund	Library/ Remington Fund	Totals
Revenues						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 110,500	\$ 110,500
Departmental Income	450	-	2,407,474	2,787,329	16,805	5,212,058
Use of Money and Property	43	48	-	-	-	91
Sale of Property and Compensation for Losses	-	19,330	-	-	-	19,330
Miscellaneous Local Sources	-	-	123,000	-	88,555	211,555
State Aid	28,026	-	-	-	-	28,026
Federal Aid	28,488	-	-	-	-	28,488
Total Revenues	<u>57,007</u>	<u>19,378</u>	<u>2,530,474</u>	<u>2,787,329</u>	<u>215,860</u>	<u>5,610,048</u>
Expenditures						
General Government Support	-	177,783	-	-	-	177,783
Culture and Recreation	-	-	-	-	458,369	458,369
Home and Community Services	35,205	-	1,276,133	1,612,823	-	2,924,161
Debt Service: Principal	-	-	58,141	241,006	7,000	306,147
Debt Service: Interest	-	-	9,098	31,418	3,365	43,881
Total Expenditures	<u>35,205</u>	<u>177,783</u>	<u>1,343,372</u>	<u>1,885,247</u>	<u>468,734</u>	<u>3,910,341</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,802</u>	<u>(158,405)</u>	<u>1,187,102</u>	<u>902,082</u>	<u>(252,874)</u>	<u>1,699,707</u>
Other Financing Sources (Uses)						
Operating Transfers In	-	255,000	-	-	232,000	487,000
Operating Transfers Out	-	-	(490,749)	(494,579)	-	(985,328)
Total Other Financing Sources (Uses)	<u>-</u>	<u>255,000</u>	<u>(490,749)</u>	<u>(494,579)</u>	<u>232,000</u>	<u>(498,328)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>21,802</u>	<u>96,595</u>	<u>696,353</u>	<u>407,503</u>	<u>(20,874)</u>	<u>1,201,379</u>
Fund Balance - Beginning of Year	<u>224,482</u>	<u>703,243</u>	<u>1,835,800</u>	<u>2,601,818</u>	<u>54,545</u>	<u>5,419,888</u>
Fund Balance - End of Year	<u>\$ 246,284</u>	<u>\$ 799,838</u>	<u>\$ 2,532,153</u>	<u>\$ 3,009,321</u>	<u>\$ 33,671</u>	<u>\$ 6,621,267</u>



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

Mayor and Members of City Council
City of Ogdensburg, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ogdensburg, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Ogdensburg, New York's basic financial statements, and have issued our report thereon dated February 7, 2023.

Report on Internal Control over Financial Reporting

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

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


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

Report on Compliance and Other Matters

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

Purpose of this Report

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


Prato Mucenski Hooper Van House & Co.
Certified Public Accountants, P.C.

February 7, 2023