

CITY OF OGDENSBURG
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019

CITY OF OGDENSBURG, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2019, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, 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.

Other Matters

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 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, 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.

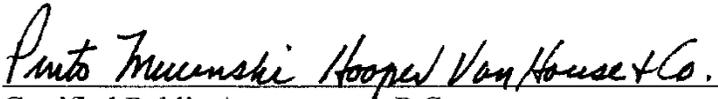
Other Information

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.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 23, 2020, 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.


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

November 23, 2020

The City of Ogdensburg (the City) offers this discussion and analysis for the fiscal year ending December 31, 2019. 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 liabilities and deferred inflows of resources of the City exceeded total assets and deferred outflows of resources by \$ 165,758.

For the year, total revenues for the City were \$ 22,872,087, while total expenses were \$ 18,940,311. The net of the revenues and expenses leaves the City with an increase in net position of \$ 3,931,776.

Total outstanding long-term indebtedness for the City at December 31, 2019 and 2018 was \$ 4,189,580 and \$ 5,456,324, 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 ten 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 Fund – 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, 2019, the City of Ogdensburg’s liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 165,758.

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

| | 2019 | 2018 | Increase/ (Decrease) | Percentage Change |
|---|----------------------|----------------------|-------------------------|----------------------|
| Current Assets | \$ 14,713,696 | \$ 12,254,635 | \$ 2,459,061 | 20.07% |
| Capital Assets, Net | <u>39,343,922</u> | <u>39,992,753</u> | <u>(648,831)</u> | -1.62% |
| Total Assets | 54,057,618 | 52,247,388 | 1,810,230 | 3.46% |
| Deferred Outflows of Resources | <u>5,629,142</u> | <u>4,739,733</u> | <u>889,409</u> | 18.76% |
| Total Assets and Deferred Outflows of Resources | <u>\$ 59,686,760</u> | <u>\$ 56,987,121</u> | <u>\$ 2,699,639</u> | 4.74% |
| Current Liabilities | \$ 7,470,304 | \$ 6,577,876 | \$ 892,428 | 13.57% |
| Long-Term Liabilities | <u>44,310,138</u> | <u>45,964,276</u> | <u>(1,654,138)</u> | -3.60% |
| Total Liabilities | 51,780,442 | 52,542,152 | (761,710) | -1.45% |
| Deferred Inflows of Resources | <u>8,072,076</u> | <u>8,542,503</u> | <u>(470,427)</u> | -5.51% |
| Total Liabilities and Deferred Inflows of Resources | <u>59,852,518</u> | <u>61,084,655</u> | <u>(1,232,137)</u> | -2.02% |
| Net Position | | | | |
| Net Investment in Capital Assets | 33,154,342 | 31,841,428 | 1,312,914 | 4.12% |
| Restricted | 1,637,744 | 1,543,018 | 94,726 | 6.14% |
| Unrestricted (Deficit) | <u>(34,957,844)</u> | <u>(37,481,980)</u> | <u>2,524,136</u> | -6.73% |
| Total Net Position (Deficit) | <u>(165,758)</u> | <u>(4,097,534)</u> | <u>3,931,776</u> | -95.95% |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 59,686,760</u> | <u>\$ 56,987,121</u> | <u>\$ 2,699,639</u> | 4.74% |

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, 2019, the City had a deficit balance of \$ (34,957,844).

Total net position (deficit) of the City’s governmental activities for the year ending December 31, 2019 was \$ (165,758).

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

| | 2019 | 2018 | Increase/ (Decrease) | Percentage Change |
|--|---------------------|---------------------|-------------------------|----------------------|
| Revenues | | | | |
| Program Revenues | | | | |
| Charges for Services | \$ 5,037,563 | \$ 5,770,394 | \$ (732,831) | -12.70% |
| Operating Grants and Contributions | 3,462,587 | 2,668,621 | 793,966 | 29.75% |
| Capital Grants and Contributions | 3,531,447 | 986,581 | 2,544,866 | 257.95% |
| General Revenues | | | | |
| Real Property Taxes and Items | 4,886,936 | 5,360,911 | (473,975) | -8.84% |
| Non Property Tax Items | 4,252,871 | 4,097,411 | 155,460 | 3.79% |
| State Aid | 57,601 | 64,466 | (6,865) | -10.65% |
| Other | <u>1,643,082</u> | <u>553,972</u> | <u>1,089,110</u> | 196.60% |
| Total Revenues | <u>22,872,087</u> | <u>19,502,356</u> | <u>3,369,731</u> | 17.28% |
| Expenses | | | | |
| General Government | 2,243,424 | 1,361,399 | 882,025 | 64.79% |
| Public Safety | 7,172,328 | 7,385,173 | (212,845) | -2.88% |
| Transportation | 2,716,529 | 2,741,120 | (24,591) | -0.90% |
| Economic Assistance and Opportunity | 14,610 | 14,600 | 10 | 0.07% |
| Culture and Recreation | 1,797,295 | 1,836,188 | (38,893) | -2.12% |
| Home and Community | 4,774,808 | 4,122,888 | 651,920 | 15.81% |
| Debt Service | <u>221,317</u> | <u>185,738</u> | <u>35,579</u> | 19.16% |
| Total Expenses | <u>18,940,311</u> | <u>17,647,106</u> | <u>1,293,205</u> | 7.33% |
| Increase/(Decrease) in Net Position | <u>\$ 3,931,776</u> | <u>\$ 1,855,250</u> | <u>\$ 2,076,526</u> | 111.93% |

The City's total revenues for the year were \$ 22,872,087 versus total expenses of \$ 18,940,311. For the year, the City's net position increased by \$ 3,931,776 to bring total net position of the primary government of the City to a deficit of \$ (165,758).

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 21.4% of the total revenues while Non-Property Tax Items consisting mainly of New York State sales tax was 18.6% of revenues.

On the expense side, public safety, along with home and community 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 \$ 4,022,168 (51%) and \$ 3,480,826 (44%), of the total for public safety and health, respectively.

Home and community total overall expenses for the year were \$ 4,774,808. Costs associated with operating the water fund were \$ 1,466,522 or (31%) of the total while the sewer fund costs were \$ 1,579,702 or (34%) of the total.

In 2019, the City's total New York State & Local Retirement expense was \$ 1,439,179; of this amount \$ 570,135 was paid to the Employees Retirement System and \$ 869,044 was paid to the Police/Fire Retirement System.

Depreciation expense is \$ 1,954,033 for 2019.

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 \$ 2,461,613 and the total fund balance was \$ 2,572,941. 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, 2019, unassigned fund balances represent 16.9% of total fund expenditures (including transfers out), while total fund balance was 17.6% of the same amount. The total fund balance of the City's General Fund increased by \$ 346,474 or 15.6% 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 positive balance of \$ 620,455.

- 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 \$ 4,707,394.

Components of the December 31, 2019 special revenue fund balance are as follows:

| | |
|---|-------------------------|
| Restricted | |
| Community Development | \$ 121,166 |
| Insurance Reserve | <u>57,780</u> |
| Total Restricted Special Revenue Fund Balance | <u>178,946</u> |
| Unassigned | |
| Community Development | 62,503 |
| Insurance Reserve | 547,556 |
| Water | 1,599,744 |
| Sewer | 2,184,473 |
| Library/Remington | <u>134,172</u> |
| Total Unassigned Special Revenue Fund Balance | <u>4,528,448</u> |
| Total Special Revenue Fund Balance | <u>\$ 4,707,394</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

In accordance with GASB 34, 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, 2019, amounted to \$ 39,343,922 (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 2019 included:

| | | |
|---------------------------------------|----|---------|
| • Waste Water Treatment Plant Upgrade | \$ | 206,586 |
| • Caterpillar Wheel Loader | \$ | 126,488 |
| • Maple City Rail Trail Connector | \$ | 217,493 |
| • Lake Ontario Flooding Disaster | \$ | 385,777 |
| • Two Ford Explorer Police Vehicles | \$ | 79,746 |

Depreciation expense is \$ 1,954,033 for 2019.

Capital Assets

A recap as of December 31, 2019 is as follows:

Capital Assets (net of depreciation)

| | Beginning | Ending | Increase/ (Decrease) | Percentage Change |
|--------------------------------|---------------|---------------|-------------------------|----------------------|
| Land | \$ 6,776,899 | \$ 6,776,899 | \$ - | 0.00% |
| Construction in Progress | 2,422,747 | 3,255,528 | 832,781 | 25.58% |
| Buildings and Improvements | 16,068,747 | 16,147,383 | 78,636 | 0.49% |
| Land Improvement | 10,341,926 | 10,341,926 | - | 0.00% |
| Infrastructure | 38,770,910 | 38,782,104 | 11,194 | 0.03% |
| Machinery and Equipment | 18,912,670 | 18,924,536 | 11,866 | 0.06% |
| Vehicles | 4,956,418 | 5,179,693 | 223,275 | 4.31% |
| Total Capital Assets | 98,250,317 | 99,408,069 | 1,157,752 | 30.47% |
| Less: Accumulated Depreciation | 58,257,564 | 60,064,147 | 1,806,583 | 3.01% |
| Total | \$ 39,992,753 | \$ 39,343,922 | \$ (648,831) | 33.48% |

Long-Term Debt and Other Long-Term Liabilities

A recap as of December 31, 2019 is as follows:

| | Beginning | Ending | Increase/ (Decrease) | Percentage Change |
|-----------------------------------|---------------|---------------|-------------------------|----------------------|
| Long-Term Debt | | | | |
| Serial Bonds | \$ 3,043,000 | \$ 3,819,000 | \$ 776,000 | 20.32% |
| BAN Payable | 2,242,523 | - | (2,242,523) | -100.00% |
| Capital Leases Payable | 170,801 | 370,580 | 199,779 | 53.91% |
| Total Long-Term Debt | 5,456,324 | 4,189,580 | (1,266,744) | -30.24% |
| Other Long-Term Liabilities | | | | |
| Due to ERS/PFRS | 122,250 | 297,946 | 175,696 | 58.97% |
| Compensated Absence | 835,750 | 845,076 | 9,326 | 1.10% |
| Judgements and Claims | 2,460,073 | 1,785,750 | (674,323) | -37.76% |
| Net Pension Liability | 1,523,987 | 2,740,687 | 1,216,700 | 44.39% |
| OPEB | 36,053,109 | 35,108,497 | (944,612) | -2.69% |
| Total Other Long-Term Liabilities | 40,995,169 | 40,777,956 | (217,213) | -0.53% |
| | \$ 46,451,493 | \$ 44,967,536 | \$ (1,483,957) | 8.01% |

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, 2019, the total indebtedness subject to its Constitutional Debt limit was \$ 3,653,886 or 18.87% of its limit.

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

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

In 2019, the City issued a Tax Anticipation Note (TAN) for \$ 1,400,000. This will be paid off in 2020.

6. ECONOMIC FACTORS

Community Health Center of the North Country (CHCNC) completed its \$ 4,200,000 renovation of 15,000 square feet of vacant commercial space in the City's downtown. CHCNC transformed this vacant building, exterior and interior, into an innovative, Federally Qualified Health Center (FQHC) to provide integrated primary and preventive care services, more specifically, primary care, dental care, behavioral health, and clinical case management. This new Health Center is the fourth FQHC, with other locations in Canton, Gouverneur, and Malone serving approximately 12,000 patients in 2018. This equates to about 44,000 visits, and \$ 13,000,000 in economic impact which will be increased when the new Ogdensburg clinic comes online. The facility is expected to employ 40 full time employees, including physicians, professional nursing and administrative personnel.

North American Forest Group, Inc. (NAFG) completed building renovations of a 143,000 square foot former manufacturing site for use as a sawmill/wood products warehousing and distribution facility. The company hired 10 new employees with plans to add 10 more in 2020.

Throughout 2019, the Ogdensburg International Airport provided non-stop daily service to Chicago and Washington D.C., via SkyWest Airlines in addition to the existing Allegiant Air service to Tampa, Florida.

In October, the City of Ogdensburg was awarded over \$ 8,300,000 in grant funding through the New York State Resiliency and Economic Development Initiative (REDI). The goal of the grant funds is to rebuild critical infrastructure, promote flood resiliency and expand the City's opportunity for economic growth along our waterfront in response to 2017 and 2019 severe flooding events.

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, 2019**

ASSETS

Current Assets

| | | |
|---|--|-------------------|
| Cash | | |
| Cash - Unrestricted | | \$ 7,579,933 |
| Cash - Restricted | | 1,637,744 |
| Receivables | | |
| Taxes Receivable (Net of Allowance of \$ 500,000) | | 1,313,462 |
| Accounts and Other Receivables | | 1,046,191 |
| State and Federal Receivables | | 1,002,786 |
| Due from Fiduciary Funds | | 1,356 |
| Due from Other Governments | | 2,105,811 |
| Prepaid Expenses | | 26,413 |
| Total Current Assets | | <u>14,713,696</u> |

Noncurrent Assets

| | | |
|----------------------|--|-------------------|
| Capital Assets (Net) | | 39,343,922 |
| Total Assets | | <u>54,057,618</u> |

Deferred Outflows of Resources

| | | |
|--------------------------------------|--|------------------|
| Pensions | | 2,986,478 |
| Other Post Employment Benefits | | 2,642,664 |
| Total Deferred Outflows of Resources | | <u>5,629,142</u> |

| | | |
|---|--|----------------------|
| Total Assets and Deferred Outflows of Resources | | <u>\$ 59,686,760</u> |
|---|--|----------------------|

Liabilities

Current Liabilities

| | | |
|-----------------------------------|--|------------------|
| Accounts Payable | | \$ 603,472 |
| Accrued Liabilities | | 90,000 |
| Accrued Interest Payable | | 98,310 |
| Due to Other Governments | | 2,603,322 |
| Due to Fiduciary Funds | | 8 |
| Deferred Revenue | | 17,794 |
| Bond Anticipation Note Payable | | 2,000,000 |
| Tax Anticipation Note Payable | | 1,400,000 |
| Current Portion of Long-Term Debt | | 657,398 |
| Total Current Liabilities | | <u>7,470,304</u> |

Noncurrent Liabilities

| | | |
|--|--|-------------------|
| Serial Bonds Payable | | 3,315,000 |
| Capital Leases Payable | | 217,182 |
| Due to Employee Retirement System | | 297,946 |
| Compensated Absences | | 845,076 |
| Judgements and Claims Payable | | 1,785,750 |
| Net Pension Liability - Proportionate Share | | 2,740,687 |
| Post Employment Benefits other than Pensions | | 35,108,497 |
| Total Noncurrent Liabilities | | <u>44,310,138</u> |

| | | |
|-------------------|--|-------------------|
| Total Liabilities | | <u>51,780,442</u> |
|-------------------|--|-------------------|

Deferred Inflows of Resources

| | | |
|-------------------------------------|--|------------------|
| Pensions | | 1,113,516 |
| Other Post Employment Benefits | | 6,958,560 |
| Total Deferred Inflows of Resources | | <u>8,072,076</u> |

Net Position

| | | |
|---|--|---------------------|
| Invested in Capital Assets, Net of Related Debt | | 33,154,342 |
| Restricted for Reserves | | 1,637,744 |
| Unrestricted (Deficit) | | <u>(34,957,844)</u> |
| Total Net Position | | <u>(165,758)</u> |

| | | |
|--|--|----------------------|
| Total Liabilities, Deferred Inflows of Resources, and Net Position | | <u>\$ 59,686,760</u> |
|--|--|----------------------|

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| 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 | \$ 2,243,424 | \$ 93,998 | \$ 1,708,659 | \$ 3,247,533 | \$ 2,806,766 |
| Public Safety and Health | 7,172,328 | 363,269 | 300,000 | 283,914 | (6,225,145) |
| Transportation | 2,716,529 | 108,241 | 431,550 | - | (2,176,738) |
| Economic Assistance and Opportunity | 14,610 | - | - | - | (14,610) |
| Culture and Recreation | 1,797,295 | 35,000 | 402,343 | - | (1,359,952) |
| Home and Community Services | 4,774,808 | 4,437,055 | 620,035 | - | 282,282 |
| Interest on Debt | 221,317 | - | - | - | (221,317) |
| Total Functions and Programs | \$ 18,940,311 | \$ 5,037,563 | \$ 3,462,587 | \$ 3,531,447 | (6,908,714) |
| General Revenues | | | | | |
| Real Property Taxes | | | | | \$ 4,682,112 |
| Real Property Tax Items | | | | | 204,824 |
| Non-Property Tax Items | | | | | 4,252,871 |
| Departmental Income | | | | | 243,212 |
| Use of Money and Property | | | | | 205,875 |
| Licenses and Permits | | | | | 50,800 |
| Fines and Forfeitures | | | | | 31,520 |
| Gain on Disposal of Fixed Assets | | | | | 9,109 |
| Miscellaneous Local Sources | | | | | 1,102,566 |
| State Aid not Restricted to Specific Programs | | | | | 57,601 |
| Total General Revenues | | | | | 10,840,490 |
| Change in Net Position | | | | | 3,931,776 |
| Total Net Position - Beginning of Year | | | | | <u>(4,097,534)</u> |
| Total Net Position - December 31 | | | | | <u>\$ (165,758)</u> |

CITY OF OGDENSBURG, NEW YORK

**BALANCE SHEETS - GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

| | General | Special Revenue | Capital | Total Governmental Funds |
|---|----------------|----------------------------|----------------|---|
| Assets | | | | |
| Cash - Unrestricted | \$ 3,123,445 | \$ 4,198,069 | \$ 258,419 | \$ 7,579,933 |
| Cash - Restricted | 17,532 | 178,946 | 1,441,266 | 1,637,744 |
| Taxes Receivable (Net of Allowance of \$ 500,000) | 1,313,462 | - | - | 1,313,462 |
| Other Receivables | 303,059 | 689,995 | 53,137 | 1,046,191 |
| State and Federal Receivables | - | 53,782 | 949,004 | 1,002,786 |
| Due from Other Funds | 317,300 | 13,149 | 81,999 | 412,448 |
| Due from Fiduciary Funds | 1,356 | - | - | 1,356 |
| Due from Other Governments | 1,980,811 | 125,000 | - | 2,105,811 |
| Prepaid Expenses | 26,413 | - | - | 26,413 |
| Total Assets | \$ 7,083,378 | \$ 5,258,941 | \$ 2,783,825 | \$ 15,126,144 |
| Liabilities and Fund Balances | | | | |
| Accounts Payable | \$ 408,797 | \$ 134,454 | \$ 60,221 | \$ 603,472 |
| Accrued Liabilities | - | - | 90,000 | 90,000 |
| Accrued Interest Payable | 98,310 | - | - | 98,310 |
| Tax Anticipation Note Payable | 1,400,000 | - | - | 1,400,000 |
| Bond Anticipation Note Payable | - | - | 2,000,000 | 2,000,000 |
| Due to Other Funds | - | 399,299 | 13,149 | 412,448 |
| Due to Fiduciary Funds | 8 | - | - | 8 |
| Due to Other Governments | 2,603,322 | - | - | 2,603,322 |
| Deferred Revenue | - | 17,794 | - | 17,794 |
| Total Liabilities | 4,510,437 | 551,547 | 2,163,370 | 7,225,354 |
| Fund Balances | | | | |
| Nonspendable | 26,413 | - | - | 26,413 |
| Restricted | 17,532 | 178,946 | 1,441,266 | 1,637,744 |
| Assigned | 67,383 | - | - | 67,383 |
| Unassigned | 2,461,613 | 4,528,448 | (820,811) | 6,169,250 |
| Total Fund Balances | 2,572,941 | 4,707,394 | 620,455 | 7,900,790 |
| Total Liabilities and Fund Balances | \$ 7,083,378 | \$ 5,258,941 | \$ 2,783,825 | \$ 15,126,144 |

See notes to financial statements.

CITY OF OGDENSBURG, NEW YORK

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019**

| | <u>Total Governmental Funds</u> | <u>Long-Term Assets - Liabilities</u> | <u>Reclassifications and Eliminations</u> | <u>Statement of Net Position Totals</u> |
|--|---|---|---|---|
| ASSETS | | | | |
| Cash | | | | |
| Unrestricted | \$ 7,579,933 | \$ - | \$ - | \$ 7,579,933 |
| Restricted | 1,637,744 | - | - | 1,637,744 |
| Receivables | | | | |
| Taxes Receivable | 1,313,462 | - | - | 1,313,462 |
| Accounts Receivable | 1,046,191 | - | - | 1,046,191 |
| State and Federal Receivables | 1,002,786 | - | - | 1,002,786 |
| Due from Other Funds | 412,448 | - | (412,448) | - |
| Due from Fiduciary Funds | 1,356 | - | - | 1,356 |
| Due from Other Governments | 2,105,811 | - | - | 2,105,811 |
| Prepaid Expenses | 26,413 | - | - | 26,413 |
| Land, Buildings, and Equipment (Net) | - | 39,343,922 | - | 39,343,922 |
| Total Assets | <u>15,126,144</u> | <u>39,343,922</u> | <u>(412,448)</u> | <u>54,057,618</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pensions | - | 2,986,478 | - | 2,986,478 |
| Other Post Employment Benefits | - | 2,642,664 | - | 2,642,664 |
| Total Deferred Outflows of Resources | <u>-</u> | <u>5,629,142</u> | <u>-</u> | <u>5,629,142</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 15,126,144</u> | <u>\$ 44,973,064</u> | <u>\$ (412,448)</u> | <u>\$ 59,686,760</u> |
| LIABILITIES | | | | |
| Payables | | | | |
| Accounts Payable | \$ 603,472 | \$ - | \$ - | \$ 603,472 |
| Accrued Liabilities | 90,000 | - | - | 90,000 |
| Accrued Interest Payable | 98,310 | - | - | 98,310 |
| Due to other Funds | 412,448 | - | (412,448) | - |
| Due to Fiduciary Funds | 8 | - | - | 8 |
| Deferred Revenue | 17,794 | - | - | 17,794 |
| Serial Bonds Payable | - | 3,819,000 | - | 3,819,000 |
| Tax Anticipation Note Payable | 1,400,000 | - | - | 1,400,000 |
| Bond Anticipation Note Payable | 2,000,000 | - | - | 2,000,000 |
| Capital Leases Payable | - | 370,580 | - | 370,580 |
| Due to Other Governments | 2,603,322 | - | - | 2,603,322 |
| Due to Employee Retirement System | - | 297,946 | - | 297,946 |
| Post-Employment Benefits other than Pensions | - | 35,108,497 | - | 35,108,497 |
| Judgements and Claims Payable | - | 1,785,750 | - | 1,785,750 |
| Net Pension Liability - Proportionate Share | - | 2,740,687 | - | 2,740,687 |
| Compensated Absences | - | 845,076 | - | 845,076 |
| Total Liabilities | <u>7,225,354</u> | <u>44,967,536</u> | <u>(412,448)</u> | <u>51,780,442</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pensions | - | 1,113,516 | - | 1,113,516 |
| Other Post Employment Benefits | - | 6,958,560 | - | 6,958,560 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>8,072,076</u> | <u>-</u> | <u>8,072,076</u> |
| FUND BALANCE/NET POSITION | | | | |
| Total Fund Balance/Net Position | <u>7,900,790</u> | <u>(8,066,548)</u> | <u>-</u> | <u>(165,758)</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balance / Net Position | <u>\$ 15,126,144</u> | <u>\$ 44,973,064</u> | <u>\$ (412,448)</u> | <u>\$ 59,686,760</u> |
| Total Governmental Fund Balance | | | | \$ 7,900,790 |
| Capital Assets used in Governmental Activities are not financial resources and therefore not reported in the Funds. | | | | 39,343,922 |
| GASB 75 - Valuation of Post-Employment Benefits other than pensions are not due and payable in the current period and therefore are not reported in the Funds. | | | | (39,424,393) |
| GASB 68 - Recognition of Assets (Prepaid Expenses), Liabilities (Net Pension Liability - Proportionate Share), and Deferred Outflows and Inflows of Pension Costs in the Governmental Activities and not reported in the Funds - Net. | | | | (1,165,671) |
| Long-Term Liabilities, including Bonds Payable are not due and payable in the current period and therefore are not reported in the funds. | | | | <u>(6,820,406)</u> |
| Net Position of Governmental Activities | | | | <u>\$ (165,758)</u> |

See notes to financial statements.

CITY OF OGDENSBURG, NEW YORK

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital</u> | <u>Total Governmental Funds</u> |
|---|---------------------|----------------------------|--------------------|---|
| REVENUES | | | | |
| Real Property Taxes | \$ 4,557,112 | \$ 125,000 | \$ - | \$ 4,682,112 |
| Real Property Tax Items | 204,824 | - | - | 204,824 |
| Non-Property Tax Items | 4,252,871 | - | - | 4,252,871 |
| Departmental Income | 701,220 | 4,469,489 | - | 5,170,709 |
| Intergovernmental Charges | 422,057 | 3,965 | - | 426,022 |
| Use of Money and Property | 176,553 | 1,904 | 27,418 | 205,875 |
| Licences and Permits | 50,800 | - | - | 50,800 |
| Fines and Forfeitures | 31,520 | - | - | 31,520 |
| Sale of Property and Compensation for Losses | 5,432 | 3,677 | - | 9,109 |
| Miscellaneous Local Sources | 1,085,566 | 399,933 | 211,345 | 1,696,844 |
| State Aid | 2,453,037 | 46,914 | 2,755,090 | 5,255,041 |
| Federal Aid | 58,978 | 546,284 | 281,098 | 886,360 |
| | <u>13,999,970</u> | <u>5,597,166</u> | <u>3,274,951</u> | <u>22,872,087</u> |
| EXPENDITURES | | | | |
| General Government Support | 2,755,918 | 175,897 | 22,925 | 2,954,740 |
| Public Safety and Health | 7,837,239 | - | (6,537) | 7,830,702 |
| Transportation | 2,230,759 | - | 7,812 | 2,238,571 |
| Economic Assistance and Opportunity | 14,610 | - | - | 14,610 |
| Culture and Recreation | 576,065 | 946,163 | 152,445 | 1,674,673 |
| Home and Community Services | 332,364 | 3,689,869 | 652,785 | 4,675,018 |
| Employee Benefits | 3,626 | 6,374 | - | 10,000 |
| Debt Service: Principal | 208,881 | 260,119 | - | 469,000 |
| Debt Service: Interest | 161,144 | 60,173 | - | 221,317 |
| | <u>14,120,606</u> | <u>5,138,595</u> | <u>829,430</u> | <u>20,088,631</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (120,636) | 458,571 | 2,445,521 | 2,783,456 |
| OTHER FINANCING SOURCES AND USES | | | | |
| BANs Redeemed from Appropriation | - | - | 66,000 | 66,000 |
| Proceeds from Obligations | - | - | 1,179,000 | 1,179,000 |
| Operating Transfers In | 932,726 | 635,616 | - | 1,568,342 |
| Operating Transfers (Out) | (465,616) | (1,102,726) | - | (1,568,342) |
| | <u>467,110</u> | <u>(467,110)</u> | <u>1,245,000</u> | <u>1,245,000</u> |
| Excess (Deficit) Revenues Over Expenditures and other Financing Sources (Uses) | 346,474 | (8,539) | 3,690,521 | 4,028,456 |
| Fund Balance - Beginning of Year | <u>2,226,467</u> | <u>4,715,933</u> | <u>(3,070,066)</u> | <u>3,872,334</u> |
| Fund Balance - End of Year | <u>\$ 2,572,941</u> | <u>\$ 4,707,394</u> | <u>\$ 620,455</u> | <u>\$ 7,900,790</u> |

CITY OF OGDENSBURG, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Total Governmental Funds | Long-Term Revenues - Expenses | Capital Related Items | Long-Term Debt Transactions | Statement of Activities Totals |
|--|--------------------------------|-------------------------------------|-----------------------------|-----------------------------------|--------------------------------------|
| Revenues | | | | | |
| Real Property Taxes | \$ 4,682,112 | \$ - | \$ - | \$ - | \$ 4,682,112 |
| Real Property Tax Items | 204,824 | - | - | - | 204,824 |
| Non-Property Tax Items | 4,252,871 | - | - | - | 4,252,871 |
| Departmental Income | 5,170,709 | - | - | - | 5,170,709 |
| Inter-Governmental Charges | 426,022 | - | - | - | 426,022 |
| Use of Money and Property | 205,875 | - | - | - | 205,875 |
| Licenses and Permits | 50,800 | - | - | - | 50,800 |
| Fines and Forfeitures | 31,520 | - | - | - | 31,520 |
| Sale of Property and Compensation for Losses | 9,109 | - | - | - | 9,109 |
| Miscellaneous Local Sources | 1,696,844 | - | - | - | 1,696,844 |
| State Aid | 5,255,041 | - | - | - | 5,255,041 |
| Federal Aid | 886,360 | - | - | - | 886,360 |
| Total Revenues | <u>22,872,087</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>22,872,087</u> |
| Expenditures/Expenses | | | | | |
| General Government Support | 2,954,740 | 58,735 | (626,195) | (143,856) | 2,243,424 |
| Public Safety and Health | 7,830,702 | 338,590 | (189,955) | (807,009) | 7,172,328 |
| Transportation | 2,238,571 | 729,604 | (191,754) | (59,892) | 2,716,529 |
| Economic Assistance and Opportunity | 14,610 | - | - | - | 14,610 |
| Culture and Recreation | 1,674,673 | 309,518 | (10,000) | (176,896) | 1,797,295 |
| Home and Community Service | 4,675,018 | 527,585 | (287,299) | (140,497) | 4,774,808 |
| Employee Benefits | 10,000 | (10,000) | - | - | - |
| Debt Service | | | | | |
| Principal | 469,000 | - | - | (469,000) | - |
| Interest | 221,317 | - | - | - | 221,317 |
| Total Expenditures | <u>20,088,631</u> | <u>1,954,033</u> | <u>(1,305,203)</u> | <u>(1,797,150)</u> | <u>18,940,311</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>2,783,456</u> | <u>(1,954,033)</u> | <u>1,305,203</u> | <u>1,797,150</u> | <u>3,931,776</u> |
| Other Sources and Uses | | | | | |
| BANs Redeemed from Appropriation | 66,000 | - | - | (66,000) | - |
| Proceeds from Obligations | 1,179,000 | - | - | (1,179,000) | - |
| Operating Transfers In | 1,568,342 | - | - | - | 1,568,342 |
| Operating Transfers (Out) | <u>(1,568,342)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,568,342)</u> |
| Total Other Sources (Uses) | <u>1,245,000</u> | <u>-</u> | <u>-</u> | <u>(1,245,000)</u> | <u>-</u> |
| Net Change For The Year | <u>\$ 4,028,456</u> | <u>\$ (1,954,033)</u> | <u>\$ 1,305,203</u> | <u>\$ 552,150</u> | <u>\$ 3,931,776</u> |
| Net Change in Fund Balances | | | | | \$ 4,028,456 |
| Depreciation Expense recorded in the Statement of Activities, but not in the Governmental Funds | | | | | (1,954,033) |
| Expenditures for Acquisition (Disposition) of Capital Assets recorded in the Governmental Funds, but not in the Statement of Activities | | | | | 1,305,203 |
| Repayment (Proceeds) of Bond and Capital Lease Principal recorded as an expenditure in the Governmental Funds, but not in the Statement of Activities | | | | | (975,779) |
| Expenditure for GASB 75 valuation of Post-Employment Benefits other than Pensions recorded in the Statement of Activities, but not in the Governmental Funds | | | | | 1,497,942 |
| Adjustment to Expenditures for GASB 68 current year actual Pension Costs recorded in the Statement of Activities, but not in the Governmental Funds | | | | | (635,009) |
| Compensated Absences and Judgements and Claims Payable measured by the amounts earned during the year in the Statement of Activities, but measured by payments in the Governmental Funds | | | | | <u>664,996</u> |
| Change in Net Position of Governmental Activities | | | | | <u>\$ 3,931,776</u> |

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
DECEMBER 31, 2019**

Assets

| | | |
|----------------------------|----|-------------------------|
| Cash - Unrestricted | \$ | 29,815 |
| Due from Other Funds | | 8 |
| Due from Other Governments | | 2,219 |
| Investments | | <u>6,036,584</u> |
| Total Assets | \$ | <u><u>6,068,626</u></u> |

Liabilities

| | | |
|-----------------------|----|-------------------------|
| Agency Liabilities | \$ | 31,064 |
| Due to Other Funds | | 1,356 |
| Deferred Compensation | | <u>6,036,206</u> |
| Total Liabilities | \$ | <u><u>6,068,626</u></u> |

CITY OF OGDENSBURG, NEW YORK

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS
AND LIABILITIES AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Balance January 1, 2019</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance December 31, 2019</u> |
|----------------------------|--|-------------------------|-------------------------|--|
| Assets | | | | |
| Cash - Unrestricted | \$ 44,177 | \$ 3,581,758 | \$ 3,596,120 | \$ 29,815 |
| Due from Other Funds | 579 | 3,221,852 | 3,222,423 | 8 |
| Due from Other Governments | - | 2,219 | - | 2,219 |
| Investments | <u>4,924,673</u> | <u>1,111,911</u> | <u>-</u> | <u>6,036,584</u> |
| Total Assets | <u>\$ 4,969,429</u> | <u>\$ 7,917,740</u> | <u>\$ 6,818,543</u> | <u>\$ 6,068,626</u> |
| Liabilities | | | | |
| Agency Liabilities | \$ 33,210 | \$ 6,716,874 | \$ 6,719,020 | \$ 31,064 |
| Due to Other Funds | 11,924 | 1,413 | 11,981 | 1,356 |
| Deferred Compensation | <u>4,924,295</u> | <u>2,571,624</u> | <u>1,459,712</u> | <u>6,036,206</u> |
| Total Liabilities | <u>\$ 4,969,429</u> | <u>\$ 9,289,911</u> | <u>\$ 8,190,713</u> | <u>\$ 6,068,626</u> |

See notes to financial statements.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019**

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 local government 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, 2019

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, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2019, real property tax receivables were \$ 1,313,462. Returned school taxes are offset by a liability to the school district in the same amount.

An allowance for uncollectible taxes of \$ 500,000 has been included in the General Fund accounts receivable balance at December 31, 2019. 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, 2019**

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, 2019

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.

Consistent with *GASB Statement 16, Accounting for Compensated Absences*, an accrual for accumulated 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. In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, and issues new standards for defined benefit OPEB and defined contribution OPEB provided to employees of state and local governments through OPEB plans. Its intent is to improve accounting and financial reporting by requiring an OPEB liability to be reported on the face of the financial statements rather than in the accompanying notes as previously required by Statement No. 45. In 2018, the City implemented Statement No. 75.

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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Procedures and Budgetary Accounting (continued)

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.

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.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the reported amount of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses/expenditures during the reporting period. 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.

Subsequent Events

Management has reviewed and evaluated all events and transactions from January 1, 2020 through November 23, 2020, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

The COVID-19 pandemic closed much of the U.S. economy in early 2020. The reopening of the economy is now in its early stages. As of the date of these financial statements, the future of the economy is still uncertain and any possible effects on the City cannot be reasonably estimated at this time.

There were no other events or transactions that existed which would provide additional pertinent information about conditions at the date of the financial statements required to be recognized or disclosed in the accompanying financial statements.

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.

CITY OF OGDENSBURG, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows / Inflows of Resources Related to Pension and OPEB (Continued)

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.

Changes in Accounting Principles

For the fiscal year ended December 31, 2019, the City implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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, 2019

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.

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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash on Deposit/Collateral (Continued)

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, 2019, per the banks were \$ 2,686,063. These deposits are categorized as follows:

| 1 | 2 | 3 | Carrying Value |
|------------|--------------|------|----------------|
| \$ 250,000 | \$ 2,436,063 | \$ - | \$ 2,686,063 |

1. Unrestricted Cash - At December 31, 2019, unrestricted cash consisted of the following:

| | Checking Accounts | Savings Account | Petty Cash | Total |
|-----------------------|----------------------|--------------------|---------------|---------------------|
| General | \$ 3,122,570 | \$ - | \$ 875 | \$ 3,123,445 |
| Special Revenue | | | | |
| Community | | | | |
| Development | - | 66,786 | - | 66,786 |
| Library/ Remington | 281,087 | - | 100 | 281,187 |
| Sewer | 1,997,353 | - | - | 1,997,353 |
| Water | 1,305,187 | - | - | 1,305,187 |
| Insurance | 547,556 | - | - | 547,556 |
| Capital | 258,419 | - | - | 258,419 |
| Total | \$ 7,512,172 | \$ 66,786 | \$ 975 | \$ 7,579,933 |

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash on Deposit/Collateral (Continued)

2. Restricted Cash - Restricted cash of \$ 57,780 in the Special Revenue (Insurance) Fund is being held for future unemployment insurance claims, \$ 121,166 in the Community Development Fund is being held for community development projects and \$ 1,441,266 in the Capital Fund is being held for capital projects. The General Fund has restricted cash of \$ 17,532 held for various reserves described in Note 8 - Fund Equity. Total restricted cash is \$ 1,637,744.

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, 2019, the City's share, \$ 6,807,454, 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>Fund</u> | <u>Amount</u> | |
|-----------------------|---------------------|-----------------|
| General Fund | \$ 5,230,786 | Investment Pool |
| Capital Projects | 1,441,266 | Investment Pool |
| Community Development | 135,402 | Investment Pool |
| | <u>\$ 6,807,454</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, 2019**

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2019 were as follows:

| | <u>Balance at</u> <u>12/31/18</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance at</u> <u>12/31/19</u> |
|-------------------------------------|--------------------------------------|------------------|------------------|--------------------------------------|
| Governmental Activities | | | | |
| Non-Depreciable | | | | |
| Capital Assets | | | | |
| Land | \$ 6,776,899 | \$ - | \$ - | \$ 6,776,899 |
| Construction in Progress | <u>2,422,747</u> | <u>832,781</u> | <u>-</u> | <u>3,255,528</u> |
| Total | <u>9,199,646</u> | <u>832,781</u> | <u>-</u> | <u>10,032,427</u> |
| Depreciable | | | | |
| Capital Assets | | | | |
| Land Improvements | 10,341,926 | - | - | 10,341,926 |
| Buildings and Improvements | 16,068,747 | 78,686 | - | 16,147,383 |
| Infrastructure | 38,770,910 | 11,194 | - | 38,782,104 |
| Machinery and Equipment | 18,912,670 | 11,866 | - | 18,924,536 |
| Vehicles | <u>4,956,418</u> | <u>370,725</u> | <u>147,450</u> | <u>5,179,693</u> |
| Total | <u>89,050,671</u> | <u>472,471</u> | <u>147,450</u> | <u>89,375,642</u> |
| Less: Accumulated Depreciation | | | | |
| Land Improvements | 6,427,964 | 282,719 | - | 6,710,683 |
| Buildings and Improvements | 7,736,217 | 316,584 | - | 8,052,801 |
| Infrastructure | 23,967,039 | 722,078 | - | 24,689,117 |
| Machinery and Equipment | 16,218,487 | 318,743 | - | 16,537,230 |
| Vehicles | <u>3,907,857</u> | <u>313,909</u> | <u>147,450</u> | <u>4,074,316</u> |
| Total | <u>58,257,564</u> | <u>1,954,033</u> | <u>147,450</u> | <u>60,064,147</u> |
| Depreciable Capital Assets (Net) | <u>30,793,107</u> | | | <u>29,311,495</u> |
| Total | <u>\$ 39,992,753</u> | | | <u>\$ 39,343,922</u> |

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

| Function/Program | |
|------------------------------|---------------------|
| General Governmental Support | \$ 57,844 |
| Public Safety | 333,054 |
| Transportation | 728,817 |
| Culture and Recreation | 308,423 |
| Home and Community | <u>525,895</u> |
| Total Depreciation | <u>\$ 1,954,033</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, 2019.

| <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 | 4/25/19 | \$ 2,000,000 | 4/24/20 | 3.00% | <u>\$ 2,000,000</u> |

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

| <u>Description</u> | <u>Balance at 12/31/18</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at 12/31/19</u> |
|--------------------|--------------------------------|------------------|------------------|--------------------------------|
| Capital Fund | \$ 2,695,000 | \$ 2,000,000 | \$ 2,695,000 | <u>\$ 2,000,000</u> |

Tax Anticipation Notes - General Fund - a Tax Anticipation Note, with an interest rate of 2.75%, was issued on July 30, 2019 for \$ 1,400,000 and matures on July 30, 2020. The proceeds were used for the payment of operating expenses incurred in operating the City for the 2019 year.

CITY OF OGDENSBURG, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 - SHORT-TERM DEBT (Continued)

Due to Other Governments

At December 31, 2019, Due to Other Governments consisted of the following:

| | |
|---|---------------------|
| Ogdensburg City School District | \$ 257,608 |
| St. Lawrence County | 1,045,714 |
| St. Lawrence County Industrial Development Agency | <u>1,300,000</u> |
| | <u>\$ 2,603,322</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 local government 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 compensated absences.

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

- Five-year lease dated May 5, 2016 in the amount of \$ 50,269 with interest at 2.46% per annum and annual payments of \$ 10,554 for the purchase of a Volvo skid-steer loader.
- Five-year lease dated March 17, 2016 in the amount of \$ 97,724 with interest at 2.67% per annum and annual payments of \$ 20,588 for the purchase of a 2016 International dump truck.
- Five-year lease dated May 6, 2016 in the amount of \$ 144,780 with interest at 3.10% per annum and annual payments of \$ 30,780 for the purchase of a Caterpillar wheel loader.
- Five-year lease dated September 28, 2016 in the amount of \$ 128,639 with interest at 2.66% per annum and annual payments of \$ 27,096 for the purchase of a 2017 International dump truck.
- 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.
- 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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 - LONG-TERM DEBT (Continued)

The future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2019 were as follows:

| | | |
|--|--|-------------------|
| 2020 | | \$ 167,386 |
| 2021 | | 78,367 |
| 2022 | | 78,367 |
| 2023 | | <u>78,367</u> |
| Total Lease Payments | | 402,487 |
| Less Amount Representing Interest | | <u>31,907</u> |
| Present Value of Future Minimum Lease Payments | | <u>\$ 370,580</u> |

The following is a summary of long-term liabilities outstanding at December 31, 2019:

| | | |
|--|--|----------------------|
| Serial Bonds – Noncurrent Portion | | \$ 3,315,000 |
| Capital Leases Payable – Noncurrent Portion | | 217,182 |
| Due to Employee Retirement System | | 297,946 |
| Compensated Absence | | 845,076 |
| Judgements and Claims | | 1,785,750 |
| Net Pension Liability – Proportionate Share OPEB | | <u>2,740,687</u> |
| Total Long-Term Liabilities | | <u>\$ 44,310,138</u> |

The following is a summary of changes in Long-Term Liabilities for the period ended December 31, 2019.

| | Balance at <u>12/31/18</u> | Increases | Decreases | Balance at <u>12/31/19</u> | Due Within <u>One Year</u> |
|-----------------------|-------------------------------|---------------------|---------------------|-------------------------------|-------------------------------|
| Serial Bonds | \$ 3,043,000 | \$ 1,179,000 | \$ 403,000 | \$ 3,819,000 | \$ 504,000 |
| BAN Payable | 2,242,523 | - | 2,242,523 | - | - |
| Capital Leases | 170,801 | 359,680 | 159,901 | 370,580 | 153,398 |
| Due to ERS/PFRS | 122,250 | 175,596 | - | 297,846 | - |
| Compensated Absences | 835,750 | 9,326 | - | 845,076 | - |
| Judgements and Claims | 2,460,073 | - | 674,323 | 1,785,750 | - |
| Net Pension Liability | 1,523,987 | 1,216,700 | - | 2,740,687 | - |
| OPEB | <u>36,053,109</u> | <u>-</u> | <u>944,612</u> | <u>35,108,497</u> | <u>-</u> |
| | <u>\$ 46,451,493</u> | <u>\$ 2,940,302</u> | <u>\$ 4,424,359</u> | <u>\$ 44,967,436</u> | <u>\$ 657,398</u> |

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 - LONG-TERM DEBT (Continued)

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

| <u>Description</u> | <u>Issued</u> | <u>Original Amount</u> | <u>Variable Interest Rate</u> | <u>Final Maturity</u> | <u>Outstanding 12/31/2019</u> |
|--------------------------------------|---------------|----------------------------|---------------------------------------|---------------------------|-----------------------------------|
| Elizabeth Street | | | | | |
| Reconstruction | 2012 | \$ 1,292,905 | 2.75% | 2023 | \$ 503,229 |
| Caroline Street Sewer | 2012 | 42,160 | 2.75% | 2023 | 16,409 |
| Sewage Treatment Plant | 2012 | 579,699 | 2.75% | 2023 | 225,632 |
| Water Tower Painting | 2012 | 221,339 | 2.75% | 2023 | 86,149 |
| Mansion Avenue | | | | | |
| Transmission | 2012 | 158,097 | 2.75% | 2023 | 61,534 |
| New Park Recreation Area | 2012 | 210,800 | 2.75% | 2023 | 82,047 |
| Visitors Center | 2016 | 1,074,500 | 2.00% | 2027 | 800,300 |
| City Hall | 2016 | 307,200 | 2.00% | 2027 | 228,800 |
| Redevelopment of Property | 2016 | 303,300 | 2.00% | 2027 | 225,900 |
| Fire Fighting Vehicle | 2018 | 271,000 | 5.0% | 2028 | 253,000 |
| Library Improvements | 2018 | 76,000 | 5.0% | 2028 | 72,000 |
| Ice Surfacing Machine | 2018 | 91,000 | 5.0% | 2028 | 85,000 |
| Weir Modification & Improvements | 2019 | 349,000 | 3.0% | 2029 | 349,000 |
| Patterson Street Project | 2019 | 830,000 | 3.0% | 2029 | 830,000 |
| Sub Total | | | | | 3,819,000 |
| Current Portion of Long-Term Debt | | | | | (504,000) |
| Noncurrent Portion of Long-Term Debt | | | | | <u>\$ 3,315,000</u> |

The following tables summarize the City's future debt service requirements as of December 31, 2019:

Serial Bonds

| <u>Year End Date</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------|---------------------|-------------------|
| 2020 | \$ 504,000 | \$ 128,113 |
| 2021 | 535,000 | 96,838 |
| 2022 | 550,000 | 81,138 |
| 2023 | 550,000 | 65,006 |
| 2024 | 320,000 | 51,638 |
| 2025 – 2029 | <u>1,360,000</u> | <u>102,038</u> |
| | <u>\$ 3,819,000</u> | <u>\$ 527,771</u> |

Debt Limits

At December 31, 2019, the total outstanding indebtedness of the City aggregated \$ 7,589,580. Of this amount, \$ 3,653,886 was subject to the constitutional debt limit and represented approximately 18.87% of its statutory debt limit.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - INTERFUND RECEIVABLE AND PAYABLES

Interfund receivables and payables at December 31, 2019 were as follows:

| <u>Fund Type</u> | <u>Receivables</u> | <u>Payables</u> |
|-------------------|------------------------------|------------------------------|
| General Fund | \$ 317,300 | \$ - |
| Capital Projects | 81,999 | 13,149 |
| Special Revenue | | |
| Community | | |
| Development | 13,149 | 32,999 |
| Water | - | - |
| Sewer | - | 49,000 |
| Library/Remington | - | 317,300 |
| | <u> -</u> | <u> -</u> |
| Total | <u>\$ 412,448</u> | <u>\$ 412,448</u> |

NOTE 8 - FUND EQUITY

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

| | | |
|--------------------------------|---------------------|------------------|
| Restricted for | | |
| Unemployment Insurance | \$ 57,780 | (Insurance Fund) |
| Community Development Projects | 121,166 | (CD Fund) |
| Capital Projects | 1,441,266 | (Capital Fund) |
| Asset Forfeiture | <u>17,532</u> | (General) |
| Total Restricted Fund Balance | <u>\$ 1,637,744</u> | |
| Unassigned | | |
| General | \$ 2,461,613 | |
| Community Development | 62,503 | |
| Insurance Reserve | 547,556 | |
| Water | 1,599,744 | |
| Sewer | 2,184,473 | |
| Library/Remington | 134,172 | |
| Capital | <u>(820,811)</u> | |
| Total Unassigned Fund Balance | <u>\$ 6,169,250</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 \$ 57,780 at December 31, 2019.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the market value of the assets of the plan totaled \$ 6,036,206. 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.

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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 - PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

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.

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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 - PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

Tiers 3, 4, and 5 (Continued)

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.

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.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 - PENSION OBLIGATIONS (Continued)

Plan Descriptions and Benefits Provided (Continued)

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) 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> |
|----------------------|-------------|------------|
| 2019 | \$ 869,044 | \$ 570,135 |
| 2018 | \$ 877,639 | \$ 579,911 |
| 2017 | \$ 978,648 | \$ 683,883 |

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the City reported a liability of \$ 1,758,301 and \$ 982,386 for its proportionate share of the net pension liability for PFRS and ERS, respectively. The net pension liability was measured as of March 31, 2019, 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, 2019 the City's PFRS proportion was 10.48 %, which was a decrease of .21 % from its proportion measured as of December 31, 2018.

At December 31, 2019 the City's ERS proportion was 1.39 %, which was an increase of .02 % from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$ 390,418 for PFRS and \$ 244,591 for ERS. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows</u> | | <u>Deferred Inflows</u> | |
|---|--------------------------|---------------------|-------------------------|-------------------|
| | <u>PFRS</u> | <u>ERS</u> | <u>PFRS</u> | <u>ERS</u> |
| Difference Between Expected Actual Experience | \$ 427,140 | \$ 193,452 | \$ 187,728 | \$ 65,946 |
| Changes of Assumptions | 638,838 | 246,932 | - | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | - | 352,145 | 252,135 |
| Changes in Proportion and Difference Between the City's Contributions and Proportionate Share of Contributions | 29,851 | 11,086 | 219,167 | 36,395 |
| Employer Contributions Subsequent to the Measurement Date | <u>869,044</u> | <u>570,135</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 1,964,873</u> | <u>\$ 1,021,605</u> | <u>\$ 759,040</u> | <u>\$ 354,476</u> |

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 10 - PENSION OBLIGATIONS (Continued)

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

\$ 869,044 and \$ 570,135 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | PFRS | ERS |
|------------|------------|------------|
| Year Ended | | |
| 2020 | \$ 301,362 | \$ 199,142 |
| 2021 | (112,000) | (202,901) |
| 2022 | (44,562) | (27,627) |
| 2023 | 166,850 | 128,381 |
| 2024 | 25,140 | - |
| Thereafter | - | - |

ACTUARIAL ASSUMPTIONS

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuations used the following actuarial assumptions:

| | PFRS | ERS |
|--|------|------|
| Interest Rate | 2.5% | 2.5% |
| Salary Scale | | |
| Investment Rate of Return (net of investment expense, including inflation) | 5.0% | 4.2% |
| Inflation Rate | 7.0% | 7.0% |
| | 1.3% | 1.3% |

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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>Rates of Return</u> |
|----------------------------|------------------------------|----------------------------|
| Domestic Equity | 36% | 4.55% |
| International Equity | 14% | 6.35% |
| Private Equity | 10% | 7.50% |
| Real Estate | 10% | 5.55% |
| Absolute Return Strategies | 2% | 3.75% |
| Opportunistic Strategies | 3% | 5.68% |
| Real Assets | 3% | 5.29% |
| Bonds and Mortgages | 17% | 1.31% |
| Cash | 1% | (0.25)% |
| Inflation-Indexed Bonds | 4% | 1.25% |

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 7.0% 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, 2019

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 7.0% 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

| | 1% Decrease <u>(6.0)%</u> | Current Assumption <u>(7.0)%</u> | 1% Increase <u>(8.0)%</u> |
|---|---------------------------------|--|---------------------------------|
| PFRS | | | |
| City's Proportionate Share of the Net Pension Asset (Liability) | \$ (6,354,236) | \$ (1,758,301) | \$ 2,079,839 |
| ERS | | | |
| City's Proportionate Share of the Net Pension Asset (Liability) | \$ (4,295,149) | \$ (982,386) | \$ 1,800,570 |

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:

| | <u>PFRS</u> | <u>ERS</u> | <u>TOTAL</u> |
|---|---------------------|----------------------|----------------------|
| Employers' Total Pension (Liability) | \$ (34,128,100,000) | \$ (189,803,429,000) | \$ (223,931,529,000) |
| Fiduciary Net Position | 32,451,037,000 | 182,718,124,000 | 215,169,161,000 |
| Employers' Net Pension Asset (Liability) | \$ (1,677,063,000) | \$ (7,085,305,000) | \$ (4,238,202,000) |
| Ration of Plan Net Position to the Employers' Total Pension Asset (Liability) | 95.09% | 96.27% | 96.09% |

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2018, the following employees were covered by the benefit terms:

| | |
|---|------------|
| Active not eligible to retire | 90 |
| Active eligible to retire | 17 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 |
| Retired and surviving spouses | 105 |
| Retired spouses covered | <u>33</u> |
| | <u>245</u> |

Total OPEB Liability

The City's total OPEB liability of \$ 35,108,497 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--------|
| Inflation | 2.22% |
| Salary Increases | 3.22% |
| Discount Rate | 2.75 % |
| Healthcare Cost Trend Rates | 5.20% |

Mortality rates were based on the RPH-2014 combined mortality, fully generational using scale MP-2019.

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|--|
| Balance at December 31, 2018 | \$ <u>36,053,109</u> |
| Changes for the Year | |
| Service Cost | 629,309 |
| Interest | 1,362,134 |
| Changes of Benefit Terms | - |
| Differences between Expected and Actual Experience | (4,992,551) |
| Changes in Assumptions of Other Inputs | 3,174,065 |
| Benefit Payments | <u>(1,117,569)</u> |
| Net Changes | (944,612) |
| Balance at December 31, 2019 | <u>\$ 35,108,497</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.83% in 2018 to 2.75% in 2019.

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 (1.75%) or 1-percentage-point higher (3.75%) than the current discount rate:

| | 1% Decrease (1.75%) | Current (2.75%) | 1% Increase (3.75%) |
|----------------------|------------------------|--------------------|------------------------|
| Total OPEB Liability | \$ 41,179,825 | \$ 35,108,497 | \$ 30,317,767 |

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 | \$ 29,605,842 | \$ 35,108,497 | \$ 42,224,297 |

CITY OF OGDENSBURG, NEW YORK

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the City recognized OPEB expense of \$ 1,497,942. At December 31, 2019, 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 | \$ - | \$ 5,748,538 |
| Change of Assumptions or Other Inputs | 2,360,202 | 1,210,022 |
| Employer Contributions Subsequent to the Measurement Date | <u>282,462</u> | <u>-</u> |
| Total | <u>\$ 2,642,664</u> | <u>\$ 6,958,560</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, 2020 | \$ (1,806,892) |
| 2021 | (2,089,352) |
| 2022 | (419,652) |
| Thereafter | <u>-</u> |
| | <u>\$ (4,315,896)</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, 2019, the City had exhausted 85.62%, of its constitutional tax limit.

NOTE 13 - OPERATING LEASES

The City leases certain copiers under the terms of various non-cancelable leases. Rental expense for the year 2019 was \$ 11,555. Minimum annual rentals for each of the remaining years of the leases are:

For fiscal years ended December 31,

| | |
|------|------------------|
| 2020 | \$ 9,808 |
| 2021 | 5,314 |
| 2022 | 2,319 |
| 2023 | <u>786</u> |
| | <u>\$ 18,227</u> |

CITY OF OGDENSBURG, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 a court action. 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.

CITY OF OGDENSBURG, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
DECEMBER 31, 2019**

| | <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 | \$ 5,531,682 | \$ 5,519,965 | \$ 4,557,112 | \$ (962,853) |
| Real Property Tax Items | 209,166 | 209,166 | 204,824 | (4,342) |
| Non Property Tax Items | 3,966,000 | 3,966,000 | 4,252,871 | 286,871 |
| Departmental Income | 389,500 | 389,500 | 701,220 | 311,720 |
| Inter-Governmental Charges | 238,100 | 221,100 | 422,057 | 200,957 |
| Use of Money and Property | 105,807 | 105,807 | 176,553 | 70,746 |
| Licenses and Permits | 50,885 | 40,885 | 50,800 | 9,915 |
| Fines and Forfeitures | 54,800 | 54,800 | 31,520 | (23,280) |
| Sale of Property and Compensation for Loss | 18,000 | 18,000 | 5,432 | (12,568) |
| Miscellaneous Local Sources | 8,300 | 8,300 | 1,085,566 | 1,077,266 |
| State Aid | 2,184,069 | 2,184,069 | 2,453,037 | 268,968 |
| Federal Aid | 52,000 | 52,000 | 58,978 | 6,978 |
| Total Revenues | <u>12,808,309</u> | <u>12,769,592</u> | <u>13,999,970</u> | <u>1,230,378</u> |
| Other Financing Sources | | | | |
| Transfers from Other Funds | 932,726 | 932,726 | 932,726 | - |
| Appropriated Reserve | - | - | - | - |
| Appropriated Fund Balance | - | - | - | - |
| Total Other Financing Sources | <u>932,726</u> | <u>932,726</u> | <u>932,726</u> | <u>-</u> |
| Total Revenues and Other Financing Sources | <u>13,741,035</u> | <u>13,702,318</u> | <u>14,932,696</u> | <u>1,230,378</u> |
| Expenditures | | | | |
| General Government Support | 1,466,386 | 1,466,386 | 2,755,918 | (1,289,532) |
| Public Safety | 8,197,482 | 8,153,765 | 7,837,239 | 316,526 |
| Transportation | 2,096,787 | 2,101,787 | 2,230,759 | (128,972) |
| Economic Assistance and Opportunity | 14,600 | 14,600 | 14,610 | (10) |
| Culture and Recreation | 602,771 | 602,771 | 576,065 | 26,706 |
| Home and Community Services | 358,337 | 358,337 | 332,364 | 25,973 |
| Contingency | 170,000 | 170,000 | 3,626 | 166,374 |
| Debt Service | 369,056 | 369,056 | 370,025 | (969) |
| Total Expenditures | <u>13,275,419</u> | <u>13,236,702</u> | <u>14,120,606</u> | <u>(883,904)</u> |
| Other Financing Uses | | | | |
| Transfers to Other Funds | 465,616 | 465,616 | 465,616 | - |
| Total Expenditures and Other Financing (Uses) | <u>13,741,035</u> | <u>13,702,318</u> | <u>14,586,222</u> | <u>(883,904)</u> |
| Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses) | - | - | 346,474 | 346,474 |
| Fund Balance - Beginning | - | - | 2,226,467 | 2,226,467 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,572,941</u> | <u>\$ 2,572,941</u> |

CITY OF OGDENSBURG, NEW YORK
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

NYSERS PENSION PLAN

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 570,135 | \$ 579,911 | \$ 632,444 | \$ 679,374 | \$ 731,222 |
| Contributions in Relation to the Contractually Required Contribution | <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> |
| City's Covered-Employee Payroll | \$ 3,585,532 | \$ 3,505,396 | \$ 3,501,378 | \$ 3,629,300 | \$ 3,688,044 |
| Contribution as a Percentage of Covered- Employee Payroll | 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 869,044 | \$ 877,639 | \$ 859,686 | \$ 889,920 | \$ 935,238 |
| Contributions in Relation to the Contractually Required Contribution | <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> |
| City's Covered-Employee Payroll | \$ 4,446,777 | \$ 4,453,011 | \$ 4,264,365 | \$ 4,190,224 | \$ 4,317,194 |
| Contribution as a Percentage of Covered- Employee Payroll | 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.

CITY OF OGDENSBURG, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF
THE NET PENSION ASSET/LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019**

NYSERS PENSION PLAN

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability (Asset) | 0.0138651% | 0.0137224% | 0.0141729% | 0.0141709% | 0.0138809% |
| City's Proportionate Share of the Net Pension Liability (Asset) | 982,386 | 442,881 | 1,331,716 | 2,274,475 | 468,931 |
| City's Covered-Employee Payroll | 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 | 27.40% | 12.63% | 38.03% | 62.67% | 12.71% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 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.

NYSPPFRS PENSION PLAN

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability (Asset) | 0.1048440% | 0.1069600% | 0.1023936% | 0.1090989% | 0.2107100% |
| City's Proportionate Share of the Net Pension Liability (Asset) | 1,758,301 | 1,081,106 | 2,122,262 | 3,230,185 | 285,607 |
| City's Covered-Employee Payroll | 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 | 39.54% | 24.28% | 49.77% | 77.09% | 6.62% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 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.

CIT OF OGDENSBURG, NEW YORK

**SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Measurement Date | January 1, 2019 | January 1, 2018 |
| Total OPEB Liability | <u>\$ 35,108,497</u> | <u>\$ 36,053,109</u> |
| Service Cost | 629,309 | 715,319 |
| Interest | 1,362,134 | 1,438,734 |
| Changes in Benefit Terms | - | - |
| Differences Between Expected and Actual Experience in the Measurement of the Total OPEB Liability | (4,992,551) | (4,072,256) |
| Changes of Assumptions or Other Inputs | 3,174,065 | (2,420,046) |
| Expected Benefit Payments | <u>(1,117,569)</u> | <u>(1,095,228)</u> |
| Net Change in Total OPEB Liability | (944,612) | (5,433,477) |
| Total OPEB Liability - Beginning | <u>36,053,109</u> | <u>41,486,586</u> |
| Total OPEB Liability - Ending | <u>\$ 35,108,497</u> | <u>\$ 36,053,109</u> |
| Covered Payroll | <u>\$ 5,790,059</u> | <u>\$ 5,985,184</u> |
| Total OPEB Liability as a Percentage of Covered Payroll | 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, 2019**

| | Community Development | Insurance Reserve Fund | Water Fund | Sewer Fund | Library/ Remington Fund | Totals |
|---|----------------------------------|---------------------------------------|-----------------------|-----------------------|--|---------------------|
| Assets | | | | | | |
| Cash - Unrestricted | \$ 66,786 | \$ 547,556 | \$ 1,305,187 | \$ 1,997,353 | \$ 281,187 | \$ 4,198,069 |
| Cash - Restricted | 121,166 | 57,780 | - | - | - | 178,946 |
| Other Receivables | - | - | 8,145 | - | 53,178 | 61,323 |
| Water Rate Receivable | - | - | 319,762 | - | - | 319,762 |
| Sewer Rate Receivable | - | - | - | 308,910 | - | 308,910 |
| State and Federal Aid Receivable | 53,782 | - | - | - | - | 53,782 |
| Due from Other Funds | 13,149 | - | - | - | - | 13,149 |
| Due from Other Governments | - | - | - | - | 125,000 | 125,000 |
| Total Assets | \$ 254,883 | \$ 605,336 | \$ 1,633,094 | \$ 2,306,263 | \$ 459,365 | \$ 5,258,941 |
| Liabilities | | | | | | |
| Accounts Payable | \$ 20,421 | \$ - | \$ 33,350 | \$ 72,790 | \$ 7,893 | \$ 134,454 |
| Due to Other Funds | 32,999 | - | - | 49,000 | 317,300 | 399,299 |
| Deferred Revenue | 17,794 | - | - | - | - | 17,794 |
| Total Liabilities | 71,214 | - | 33,350 | 121,790 | 325,193 | 551,547 |
| Fund Balance | | | | | | |
| Restricted | 121,166 | 57,780 | - | - | - | 178,946 |
| Unassigned | 62,503 | 547,556 | 1,599,744 | 2,184,473 | 134,172 | 4,528,448 |
| Total Fund Balance | 183,669 | 605,336 | 1,599,744 | 2,184,473 | 134,172 | 4,707,394 |
| Total Liabilities and Fund Balance | \$ 254,883 | \$ 605,336 | \$ 1,633,094 | \$ 2,306,263 | \$ 459,365 | \$ 5,258,941 |

CITY OF OGDENSBURG, NEW YORK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Community Development</u> | <u>Insurance Reserve Fund</u> | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Library/ Remington Fund</u> | <u>Totals</u> |
|--|----------------------------------|---------------------------------------|-----------------------|-----------------------|--|---------------------|
| Revenues | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ 125,000 | \$ 125,000 |
| Department Income | 26,837 | - | 2,095,710 | 2,341,344 | 5,598 | 4,469,489 |
| Inter-Governmental Charges | - | - | - | - | 3,965 | 3,965 |
| Use of Money and Property | 1,880 | 24 | - | - | - | 1,904 |
| Sale of Property and Compensation for Loss | - | 3,677 | - | - | - | 3,677 |
| Miscellaneous Local Sources | - | - | - | - | 399,933 | 399,933 |
| State Aid | 46,914 | - | - | - | - | 46,914 |
| Federal Aid | 546,284 | - | - | - | - | 546,284 |
| | <u>621,915</u> | <u>3,701</u> | <u>2,095,710</u> | <u>2,341,344</u> | <u>534,496</u> | <u>5,597,166</u> |
| Expenditures | | | | | | |
| General Governmental Support | - | 175,897 | - | - | - | 175,897 |
| Culture and Recreation | - | - | - | - | 946,163 | 946,163 |
| Home and Community Services | 643,645 | - | 1,466,522 | 1,579,702 | - | 3,689,869 |
| Employee Benefits | - | - | 3,187 | 3,187 | - | 6,374 |
| Debt Service: Principal | - | - | 52,269 | 203,850 | 4,000 | 260,119 |
| Debt Service: Interest | - | - | 11,628 | 42,609 | 5,936 | 60,173 |
| | <u>643,645</u> | <u>175,897</u> | <u>1,533,606</u> | <u>1,829,348</u> | <u>956,099</u> | <u>5,138,595</u> |
| Excess (Deficit) Revenues over Expenditures | <u>(21,730)</u> | <u>(172,196)</u> | <u>562,104</u> | <u>511,996</u> | <u>(421,603)</u> | <u>458,571</u> |
| Other Financing Sources (Uses) | | | | | | |
| Interfund Transfers In | - | 255,000 | - | - | 380,616 | 635,616 |
| Interfund Transfers Out | - | - | (540,889) | (561,837) | - | (1,102,726) |
| | <u>-</u> | <u>255,000</u> | <u>(540,889)</u> | <u>(561,837)</u> | <u>380,616</u> | <u>(467,110)</u> |
| Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses) | (21,730) | 82,804 | 21,215 | (49,841) | (40,987) | (8,539) |
| Fund Balance - Beginning | <u>205,399</u> | <u>522,532</u> | <u>1,578,529</u> | <u>2,234,314</u> | <u>175,159</u> | <u>4,715,933</u> |
| Fund Balance - Ending | <u>\$ 183,669</u> | <u>\$ 605,336</u> | <u>\$ 1,599,744</u> | <u>\$ 2,184,473</u> | <u>\$ 134,172</u> | <u>\$ 4,707,394</u> |

See paragraph on supplemental schedules included in auditor's report.



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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, 2019, 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 November 23, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City 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.

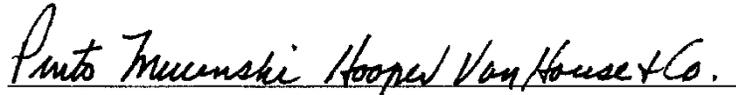
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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 determination of financial statement amounts. 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.

November 23, 2020



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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Ogdensburg's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Ogdensburg's major federal programs for the year ended December 31, 2019. The City of Ogdensburg's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Ogdensburg's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Ogdensburg's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Ogdensburg's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Ogdensburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the City of Ogdensburg is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Ogdensburg's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Ogdensburg's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ogdensburg, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Ogdensburg's basic financial statements. We issued our report thereon dated November 23, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Paulo Mucinski Hooper Van House & Co.
Certified Public Accountants, P.C.

January 12, 2021

CITY OF OGDENSBURG, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Federal Grantor/Pass-Through Grantor Program Title | CFDA Number | Agency or Pass-through Number | Expenditures | Sub-recipients |
|---|------------------------|--|---------------------|-----------------------|
| U.S. Department of Housing and Urban Development <i>Passed through NYS Homes and Community Renewal</i> | | | | |
| Lake Ontario Flood Relief and Recovery Program | 14.228 | 836IT202-17 | \$ 489,081 | \$ - |
| Federal Emergency Management Agency <i>Direct Award</i> | | | | |
| Boat Launches and Marina Boardwalk | 97.131 | N/A | 281,098 | - |
| U.S. Department of Transportation <i>Passed through NYS Department of Transportation</i> | | | | |
| Maple City Rail Trail Connector | 20.205 | D035720 | 121,917 | - |
| U.S. Department of Homeland Security <i>Passed through NYS Homeland Security and Emergency Services</i> | | | | |
| Operation Stonegarden | 97.067 | C835889 | <u>58,979</u> | <u>-</u> |
| Total Federal Awards Expended | | | <u>\$ 951,075</u> | <u>\$ -</u> |

CITY OF OGDENSBURG, NEW YORK

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal award programs administered by the City of Ogdensburg (the City), under programs of the federal government for the year ended December 31, 2019. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 - SUB-RECIPIENTS

No amounts were provided to sub-recipients.

NOTE 3 - OTHER DISCLOSURES

There were no loans or loan guarantees outstanding at year-end.

CITY OF OGDENSBURG, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued - Unmodified
2. Internal control over financial reporting:
 - a. Significant deficiency(ies) identified - No
 - b. Material weakness(es) identified - No
3. Noncompliance material to the financial statements noted - No

Federal Awards:

4. Internal control over major federal programs:
 - a. Significant deficiency(ies) identified - No
 - b. Material weakness(es) identified - No
5. Type of auditor's report issued on compliance for the major federal award programs - Unmodified
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a) - No
7. Programs tested as major federal programs:

United States Department of Housing and Urban Development, CFDA #14.228
8. Dollar threshold used for distinguishing between Type A and B programs - \$ 750,000
9. Auditee qualified as a low-risk auditee - No

FINANCIAL STATEMENT AUDIT FINDINGS

- None

COMPLIANCE AUDIT FINDINGS

- None

CITY OF OGDENSBURG, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2019

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no prior year audit findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

There were no prior year audit findings.