

PRELIMINARY OFFICIAL STATEMENT

**RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the City with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Notes included in the "adjusted financial statement income" of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.*

*The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b) (3) of the Code.*

**\$4,314,000**



**CITY OF OGDENSBURG**

**ST. LAWRENCE COUNTY, NEW YORK**

**GENERAL OBLIGATIONS**

**\$4,314,000 Bond Anticipation Notes, 2025 (Renewals)**

**(referred to herein as the "Notes")**

**Dated: March 6, 2025**

**Due: March 6, 2026**

The Notes are general obligations of the City of Ogdensburg, St. Lawrence County, New York (the "City") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity and are non-callable. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes may be issued in registered certificated form, in the denominations of \$5,000 each or multiples thereof, except for one necessary odd denomination which is or includes \$9,000, without the option of prior redemption. If issued in registered certificated form, principal and interest will be payable at maturity in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by such successful bidder(s). Paying agent fees, if any, will be paid by the successful bidder(s).

At the option of the purchaser(s), the Notes will be issued as book-entry registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. If so issued, Noteholders will not receive certificates representing their ownership interest in the Notes purchased. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or at such place as may be agreed upon with the Purchaser(s) on or about March 6, 2025.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com) on February 20, 2025 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the City, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

February 13, 2025

THE CITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS WITH REGARD TO THE NOTES AS DEFINED IN THE RULE. SEE "APPENDIX - C, MATERIAL EVENT NOTICES" HEREIN.

**CITY OF OGDENSBURG**  
**ST. LAWRENCE COUNTY, NEW YORK**



**CITY OFFICIALS**

MICHAEL TOOLEY

Mayor

**CITY COUNCIL**

R. STORM CILLEY  
JENNIFER STEVENSON  
MICHAEL B. POWERS



DANIEL E. SKAMPERLE  
DONNA TRIMM  
MICHAEL WEAVER

\* \* \* \* \*

FONDA CHRONIS

City Manager

ANGELA M. GRAY, CPA

City Comptroller

JENNIFER WILSON

Director of Finance

CATHY A. JOCK

City Clerk

SCOTT B. GOLDIE

City Attorney



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel

No dealer, broker, salesman or other person has been authorized by the City of Ogdensburg to give any information or to make any representations other than those contained in this Official Statement; and if given or made, such other information or representations must not be relied upon as having been authorized by the City of Ogdensburg. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City of Ogdensburg from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City of Ogdensburg since the date thereof.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.  
250 South Clinton Street, Suite 502  
Syracuse, New York 13202  
(315) 752-0051

[www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**OFFICIAL STATEMENT**  
of the  
**CITY OF OGDENSBURG**  
**ST. LAWRENCE COUNTY, NEW YORK**

Relating to  
**\$4,314,000 Bond Anticipation Notes, 2025 (Renewals)**

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Ogdensburg, St. Lawrence County, New York (the "City," "County," and "State," respectively), in connection with the sale by the City of \$4,314,000 Bond Anticipation Notes, 2025 (Renewals) (referred to herein as the "Notes").

The factors affecting the City's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

**THE NOTES**

**Description of the Notes**

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated March 6, 2025, and mature on March 6, 2026.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in denominations of \$5,000 or integral multiples thereof, except for the one necessary odd denomination which is or includes \$9,000 or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

**No Optional Redemption**

The Notes are not subject to redemption prior to maturity.

**Purpose of Issue**

The Notes are being issued pursuant to the Constitution and statutes of the State including among others, the City Law, the Local Finance Law and the following bond resolution adopted by the City Council on February 13, 2023 authorizing the issuance of an additional \$4,188,027 serial bonds to pay part of the cost of the construction of improvements to parks and recreation areas. On April 11, 2023 the City issued \$4,188,027 Bond Anticipation Notes as the initial borrowing against this authorization. On April 7, 2024 the City issued \$4,542,178 bond anticipation notes, of which, a \$4,188,027 portion was used to fully redeem and renew the bond anticipation notes that matured March 8, 2024. A \$3,991,000 portion of the proceeds of the Notes along with \$197,027 in available funds will partially redeem and renew a \$4,188,027 portion of the bond anticipation notes currently outstanding and maturing on March 7, 2025, that were issued for this purpose.

The City Council adopted a bond resolution on November 25, 2019 authorizing the issuance of \$415,849 serial bonds to finance the cost of the construction of improvements to parks and recreation areas, including the marina and docks, in and for the City. A \$323,000 portion of the proceeds of the Notes, along with \$31,151 available funds of the City, will redeem and renew the remaining \$354,151 portion of the \$4,542,178 bond anticipation notes currently outstanding that mature on March 7, 2025, issued for this purpose.

## NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the City and the holder thereof.

Holders of any series of notes or bonds of the City may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the City’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LAW LIMITATION,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

### **BOOK-ENTRY-ONLY SYSTEM**

If registered in Book Entry Only Form, the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond and Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE CITY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

## Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued registered in the name of the owner in denominations of \$5,000 or integral multiples thereof, except for the one necessary odd denomination which is or includes \$9,000 as determined by the successful bidder(s). Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company to be named by the City as fiscal agent for the Notes.

## THE CITY

### General Information

The City of Ogdensburg (the “City”) is located in northern New York State on the U.S./Canada border. The City is located in rural St. Lawrence County and encompasses 8.18 square miles of land.

Major U.S. highways to the City include NYS Routes 37 and 12, which connect the City with U.S. Interstate 81. These routes connect to Watertown (1 hour), Syracuse (2 hours) and Albany (4 hours). Ogdensburg is also two miles from Highway 401 and Highway 416 in Canada, which connect to the major Canadian metropolitan areas of Ottawa (1 hour), Montreal (2 hours) and Toronto (3 hours).

The City is situated on the St. Lawrence River and Seaway and is also home to the Ogdensburg-Prescott International Bridge, a modern suspension bridge that links New York State and Canada. The bridge connects with Ontario highways 416 and 401, providing easy access to major market areas in Canada.

The Port of Ogdensburg is the only United States port on the St. Lawrence River, making it the eastern most U.S. port on the Great Lakes and the northern most port in New York State. Goods are shipped to and from the port via the St. Lawrence Seaway to destinations throughout the world. Rail access to the City and the Port of Ogdensburg are provided by the New York and Ogdensburg Railroad that connects to the CSX mainline. The Port of Ogdensburg has been designated as a Foreign Trade Zone.

Source: City officials.

### Major Employers

Some of the major employers located within and/or surrounding the City are as follows:

<u>Employer</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Claxton-Hepburn Hospital	Health Care	500+
The St. Lawrence Psychiatric Center	Health Care	500+
Riverview Correctional Facility	Correctional Facility	300+
Ogdensburg School District	Education	300+
Walmart	Retail	200+
Ansen Corporation	Electronic Equipment	100+
St. Joseph’s Home	Health Care	100+
City of Ogdensburg	Government	85

Note: Employee estimates are as of January 2025.

Source: City officials.



## Banking Facilities

The following banks maintain offices within the City:

<u>Bank</u>	<u>Offices</u>	<u>Bank</u>	<u>Offices</u>
Community Bank, N.A.	1	St. Lawrence Federal Credit Union	2
KeyBank, N.A.	1	North Country Savings Bank	1
Upstate National Bank	1	NBT Bank, N.A.	1
SeaComm Federal Credit Union	1	Ed-Med Federal Credit Union	1

Source: City officials.

## Recent Economic Developments

The City is one of the largest retail centers in St. Lawrence County. The City provides area residents and Canadians a variety of grocery stores, including Price Chopper, Aldi, and Save-a-Lot, as well as boutique shops like Maurice's, which opened in early 2020. The Shoe Dept. at the Seaway Plaza area opened in spring 2019. Tim Horton's Café and Bake Shop and Dunkin Donuts both opened in the past decade. In 2022, Harbor Freight opened a retail location which added an estimated 25-30 jobs to the local economy. Also located in downtown is the Dobisky Visitors' Center and municipal marina, which is accessible to residents and tourists and is available for hosting events and private functions. The municipal marina provides both power and non-power transient slips for seasonal and day use.

Routinely, small businesses open throughout the City. In recent developments, plans are underway to open a micro-brewery. Other small businesses that have opened include a print shop and a flower shop, adding to revenue and jobs to the local economy.

The Ogdensburg airport completed an expansion of its terminal and runway in the fall of 2016. The expansion qualified the airport to be reclassified from a class II index A to a class I index B facility. Class I airports accommodate all types of aircraft designed for at least 31 passenger seats. As a result of this expansion the Ogdensburg Bridge and Port Authority (OBPA) had anticipated 40,000 passengers annually. In October 2018, the Authority had exceeded their goal by officially welcoming its 100,000<sup>th</sup> passenger since the Airport expansion.

In summer 2024, Breeze Airways was awarded an Essential Air Service Contract and is providing non-stop service to Washington, DC and non-stop service to Orlando, Florida. In late 2023, the airport was awarded \$18 million from New York State's Upstate Airport Economic Development and Revitalization Competition. These funds will allow the airport to undertake an expansion project which will make the Ogdensburg International Airport a transportation hub. The project is expected to be complete in the summer of 2025 and is estimated to create 195 jobs.

The Ogdensburg Bridge and Port Authority is expected to break ground in the summer of 2025 on a 15,000 square foot childcare center that is estimated to serve 125 children and create 30-40 new jobs, the center is expected to open for the fall 2026 school year.

In spring of 2022 Claxton Hepburn Medical Center opened a Children's Mental Health Unit, which focuses on patients from 4 to 17 years old. Construction of the unit began in November 2020 and was completed in December 2021.

Source: City officials.

## Building Permits

<u>Year</u>	<u>Total</u>	<u>Dwellings</u>	<u>Commercial</u>	<u>Industry</u>
2015	378	346	32	0
2016	415	367	48	0
2017	355	319	34	0
2018	337	273	64	0
2019	345	274	71	0
2020	371	285	44	2
2021	308	253	53	3
2022	353	316	37	0
2023	205	174	29	2
2024	228	172	46	0

Source: City officials.

**Population Trends**

<u>Year</u>	<u>City of Ogdensburg</u>	<u>St. Lawrence County</u>	<u>New York State</u>
1980	12,375	114,254	17,558,072
1990	13,521	111,974	17,990,455
2000	12,364	111,931	18,976,457
2010	11,128	111,944	19,378,102
2020	10,064	108,505	20,201,249
2023 (estimate)	9,304	106,940	19,571,216

Source: U.S. Census Bureau.

**Selected Wealth and Income Indicators**

Per capita income statistics are available for the City, County and State, and are listed below.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
City of:						
Ogdensburg	\$ 17,651	\$ 24,253	\$ 30,956	\$ 44,625	\$ 58,821	\$ 75,568
County of:						
St. Lawrence	20,143	26,676	31,574	50,384	66,843	80,918
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: U.S. Census Bureau, 2006-2010 census, 2016-2020 and 2019-2023 American Community Survey data.

**Unemployment Rate Statistics**

Unemployment statistics are not available for the City as such. The smallest area for which such statistics are available (which includes the City) is St. Lawrence County. The information set forth below with respect to the County and State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that County or State is necessarily representative of the City, or vice versa.

	<u>Annual Averages</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
St. Lawrence County	6.6%	5.6%	5.4%	7.9%	5.1%	4.1%	4.1%
New York State	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%	4.3%

	<u>2024 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
St. Lawrence County	5.3%	4.5%	4.0%	3.3%	3.6%	4.0%	4.1%	4.5%	3.6%	4.0%	4.2%	5.2%
New York State	4.6%	4.5%	4.0%	3.7%	3.8%	4.2%	4.1%	4.4%	4.0%	4.4%	4.0%	4.4%

Note: Unemployment rates for the month of January and February 2025 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

**Form of City Government**

The City’s local government is a Council/Manager form of government. The governing body is the Ogdensburg City Council, which is comprised of a Mayor and six Councilors. The Mayor and the Council are elected at large at general elections that are held every odd numbered year. The Mayor and Council each serve a term of four years. The City Manager and Corporation Counsel serve at the pleasure of the Council. All other department heads serve at the pleasure of the City Manager.

## **Financial Organization**

The Comptroller is the Chief Fiscal Officer of the City, and is responsible for the receiving and collecting of funds. It is the responsibility of the City Manager to oversee the receipt, disbursement and accounting for all financial transactions. In addition, the City has contracted with a CPA firm to provide ongoing financial support and accounting services to supplement the function of the Comptroller's office.

## **Budgetary Procedures and Recent Budget Votes**

The department and agency heads present their budget requirements to the City Manager on or before August 15 each year for the following fiscal year. The City Manager prepares a tentative budget for the forthcoming year together with a budget message to the City Council on or before the 15th day of October. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the City, except the Insurance Fund. The City Council establishes a date, time and place for a public hearing with public notice duly advertised of such hearing to be held and completed by November 15th. The Council, at a regular or special meeting held after the public hearing but not later than the 1st day of December, shall by resolution adopt, or amend and adopt, the budget, which budget when adopted shall thereupon become the annual budget of the City for the ensuing fiscal year.

The budget for the 2020 fiscal year called for a total tax levy increase of 1.74%, which was below the City's tax levy limit of 2.82%

The budget for the 2021 fiscal year called for a total tax levy decrease of 10.0%, which was below the City's tax levy limit of 3.25%.

The City's adopted budget for the 2022 fiscal year included a 10.0% decrease in the property tax levy, which was within the City's tax levy limit of 4.06% for the 2022 fiscal year.

The City's adopted budget for the 2023 fiscal year included a 3.9% increase in the property tax levy, which was equal to the City's tax levy limit of 3.99% for the 2023 fiscal year.

The City's adopted budget for the 2024 fiscal year included a 20% increase in the property tax levy, which was above the City's tax levy limit of 2.151% for the 2024 fiscal year.

The City's adopted budget for the 2025 fiscal year included a 2.0% decrease in the property tax levy, which was within the City's tax levy limit of 2.151 for the 2025 fiscal year.

## **Investment Policy**

Pursuant to the statutes of the State of New York, the City is permitted to invest only in the following investments: (1) special time deposits in, or certificates of deposits issued by a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the City; (6) obligations of a New York public benefit corporations which are made lawful investments in which the City may invest pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of City moneys held in certain reserve funds established pursuant to law, obligations issued by the City. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the City's current policy to invest only in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the City may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

## State Aid

The City receives financial assistance from the State. In its General Fund budget for the 2024 fiscal year, approximately 16.87% of the revenues of the City are estimated to be received in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year or future years, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

## Employees

The City provides services through approximately 86 employees, 80 of which are represented by five labor organizations. Membership of each and expiration dates are as follows:

<u>Union</u>	<u>Approximate Number of Employees</u>	<u>Contract Expiration Dates</u>
International Association of Fire Fighters Local 1799	23	December 31, 2025
Police Benevolent Association	12	December 31, 2026
Police Supervisory Unit	6	December 31, 2026
CSEA Salary Unit	8	December 31, 2027
CSEA Hourly Unit	31	December 31, 2027

Source: City officials.

## Status and Financing of Employee Pension Benefits

Substantially all employees of the City are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS and PFRS together are generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years. Except as described below, all members working less than ten years must contribute 3% of gross annual salary towards the cost of retirement programs.

On December 10, 2009, then Governor Paterson signed into law pension reform legislation that is projected to provide (according to a Division of the Budget analysis) more than \$35 billion in long-term savings to State taxpayers over a period of thirty years. The legislation created a new Tier V pension level. Key components of Tier V included:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the Tier VI pension program, effective for new ERS and PFRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The City’s payments to ERS and PFRS for the below years have been as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2017 <sup>(1)</sup>	\$ 755,490	\$ 907,041
2018	579,911	877,639
2019 <sup>(2)</sup>	570,135	869,044
2020	568,907	908,915
2021	572,754	1,097,494
2022	456,322	926,406
2023	390,051	1,025,834
2024	432,744	1,342,079
2025 (Budgeted)	432,744	1,342,079

- (1) The City amortized its ERS and PFRS contributions in years 2012 through 2015. The 2017 ERS and PFRS payments included an additional \$170,401 thus reducing the principal balance due of its amortized pension contributions.
- (2) The City fully paid the amortization for the 2012 fiscal year. The City paid \$64,694 to ERS and \$47,461 to PFRS by December 15, 2020 for the 2013, 2014, and 2015 amortized contributions. The City does not anticipate amortizing contributions in the foreseeable future.

Source: City officials.

The City fully paid the amortization of the 2012 ERS and PFRS contributions. The remaining balances of the City’s amortized ERS and PFRS payments as of February 12, 2024 are as follows:

<u>Amortization Year</u>	<u>ERS</u>	<u>PFRS</u>
<u>2015</u>	<u>-0-</u>	<u>18,747</u>
Total	\$ -0-	\$ 18,747

Source: City officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The City offered incentives to twelve employees from December 2020 through January 2022. The approximate cost of the incentives was \$420,000, but the City received a grant in the amount of \$550,000 to offset the cost of the incentives along with the payout of accrued time. The City has not offered incentives in 2022, 2023, or 2024.

*Historical Trends and Contribution Rates.* Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2019 to 2024) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2019	14.9%	23.5%
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

*Stable Rate Pension Contribution Option.* The 2013-14 Adopted State Budget included a provision that authorized local governments, including the City, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The City amortized its ERS and PFRS contributions in years 2012 through 2015. The City does not anticipate amortizing contributions in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the City’s employees is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

## **Other Post-Employment Benefits**

*Healthcare Benefits.* School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

*OPEB.* Other Post-Employment Benefits (“OPEB”) refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

*GASB 75.* GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The City contracted with the Burke Group, an actuarial firm, to calculate its first actuarial valuation under GASB. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Balance beginning at:	<u>January 1, 2022</u>	<u>January 1, 2023</u>
	\$ 28,374,407	\$ 19,435,884
<b><u>Changes for the year:</u></b>		
Service cost	414,794	156,105
Interest	604,460	807,104
Changes in benefit terms	-	-
Differences between expected and actual experience	(1,892,064)	(1,589,507)
Changes in assumptions or other inputs	(6,877,429)	(123,809)
Benefit payments	(1,188,284)	(1,248,712)
Net Changes	<u>\$ (8,938,523)</u>	<u>\$ (1,998,819)</u>
<b>Balance ending at:</b>	<b><u>December 31, 2022</u></b>	<b><u>December 31, 2023</u></b>
	<b><u>\$ 19,435,884</u></b>	<b><u>\$ 17,437,065</u></b>

Note: The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The City has reserved \$0 towards its OPEB liability. The City funds this liability on a pay-as-you-go basis.

The City’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the City’s finances and could force the City to reduce services, raise taxes or both.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

**Other Information**

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Notes are to be issued is the City Charter and the Local Finance Law.

The City is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of this City is past due.

The fiscal year of the City is the calendar year.

Except as noted in the section entitled “STATUS OF INDEBTEDNESS - Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

**Financial Statements**

The City retains independent Certified Public Accountants to audit its financial statements which are submitted to the State Comptroller’s office to review the single audit requirements. The last completed audit report of the City is for the period ending December 31, 2021 may be found attached hereto as “APPENDIX – D” to this Official Statement. The audit report for the periods ending December 31, 2022, December 31, 2023, and December 31, 2024 are not available as of the date of this Official Statement. It is anticipated that the City’s audit report for the period ending December 31, 2022 and December 31, 2023 will be available by in the coming months, the audit report for the period ending December 31, 2024 is anticipated to be completed in July 2025, all completed statements will be filed to the Electronic Municipal Market Website (“EMMA”) promptly upon completion. Certain summary financial information may also be found in the Appendices to this Official Statement. The City has filed their Annual Financial Report (Unaudited) for the fiscal years ending December 31, 2022 and December 31, 2023 on the EMMA website.

The City complies with the Uniform System of Accounts as prescribed for cities in New York State by the Office of the State Comptroller. Except for the accounting for fixed assets, this System conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants’ Industry Audit Guide, “Audits of State and Local Governmental Units,” and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year December 31, 2003 the City is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The City is currently in compliance with Statement No. 34.

Pinto Mucenski Hooper Van House & Co. CPAs, PC, the independent auditor for the City, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Pinto Mucenski Hooper Van House & Co. CPAs, PC also has not performed any procedures relating to this Official Statement.

Unaudited Results of Operations for Fiscal Year Ended 2022.

The City ended the fiscal year ending December 31, 2022 with a cumulative unappropriated unreserved fund balance of \$4,057,859.

Summary unaudited information for the General Fund for the period ending December 31, 2022 is as follows:

Revenues:	\$ 14,345,302
Expenditures:	<u>16,139,565</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ (1,794,262)</u>
Total General Fund Balance December 31, 2021:	6,140,893
Total General Fund Balance December 31, 2022:	\$ 4,346,631

Note: These unaudited results are based upon certain current assumptions and estimates for fiscal year ended 2022 and the audited results may vary therefrom.

Unaudited Results of Operations for Fiscal Year Ended 2023.

The City ended the fiscal year ending December 31, 2023 with a cumulative unappropriated unreserved fund balance of \$4,001,989.

Unaudited Results for 2022 and 2023 along with Budgeted figures for 2024 and 2025 can be found attached hereto in “APPENDIX – A”

Note: These unaudited results are based upon certain current assumptions and estimates for fiscal year ended 2023 and the audited results may vary therefrom.

Source: City officials.

**New York State Comptroller Reports of Examination**

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be searched on the official website of the Office of the New York State Comptroller.

There have been no reports of the State Comptroller within the past five years, nor are there any that are currently in progress or pending release.

Note Reference for website implies no warranty or accuracy of information therein, and the website is not incorporated herein by reference.



## The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual update document filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three years for the City are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	6.7
2022	No Designation	3.3
2021	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note Reference for website implies no warranty or accuracy of information therein, and the website is not incorporated herein by reference.

## TAX INFORMATION

### Taxable Assessed Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$ 286,644,822	\$ 287,598,877	\$ 286,137,636	\$ 357,263,756	\$ 356,752,813
New York State					
Equalization Rate	100.00%	100.00%	96.00%	100.00%	100.00%
Total Taxable Full Valuation	\$ 286,644,822	\$ 287,598,877	\$ 298,060,038	\$ 357,263,756	\$ 356,752,813

### Tax Rates Per \$1,000 Assessed

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund	\$ 17.87	\$ 15.88	\$ 16.59	\$ 16.00	\$ 15.69

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	8,275,103	5,081,634	4,741,342	5,716,219	5,599,055
Amount Uncollected <sup>(1)(2)(3)</sup>	758,458	557,167	-	-	-
% Uncollected	9.17%	10.96%	N/A	N/A	N/A

(1) The City holds tax sales annually. See "Tax Collection Procedure" herein.

(2) These figures include city/county warrant as city collects county taxes and makes county whole.

(3) The County of St. Lawrence will reimburse the City of Ogdensburg for all unpaid taxes as foreclosure authority was transferred effective January 1, 2022

**Tax Collection Procedure**

Effective January 1, 2024 the City collects City real property and County taxes. Effective in 2022, the City relinquished is property tax foreclosure authority. The City will no longer hold a tax sale for unpaid City/County and School taxes. There are approximately \$456,441 of taxes (City, and School) for collection years prior to 2022.

**Ten Largest Taxpayers – 2023 Tax Roll for 2024**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Wal-Mart Stores, Inc.	Retail	\$7,750,000
Acco USA, Inc.	Manufacturing	\$7,000,000
Ogdensburg Associates, LLC	Retail	\$6,100,000
Niagara Mohawk Power Corp	Utility	\$5,609,472
NIMADI 2, LLC	Retail	\$3,300,000
St. Lawrence Gas Company	Utility	\$3,046,372
7-Eleven Inc.	Retail	\$2,400,000
MDC Coast 11, LLC (7-Eleven)	Retail	\$2,300,000
7-Eleven Inc.	Retail	\$2,000,000
MBJP Acquisition Corp.	Retail	\$1,970,000

The larger taxpayers listed above have a total assessed valuation of \$41,475,844, which represents 11.63% of the tax base of the City for 2025.

As of the date of this Official Statement, the City does not currently have any pending or outstanding tax certioraris that are known or anticipated to have a material impact on the City.

Source: City tax rolls.

**Constitutional Tax Margin**

Computation of Constitutional Tax Margin for fiscal years ending December 31 of the following years:

<u>Fiscal Year Ending December 31:</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Five Year Average Full Valuation.....	\$ 287,621,025	\$ 302,980,859	\$ 317,264,061
Tax Limit - (2%).....	5,752,421	6,059,617	6,345,281
Add: Exclusions from Tax Limit.....	1,899,957	877,983	735,481
Total Taking Power.....	\$ 7,652,378	\$ 6,937,600	\$ 7,080,762
Less: Total Levy.....	4,746,350	5,716,220	5,599,055
Constitutional Tax Margin.....	<u>\$ 2,906,028</u>	<u>\$ 1,221,380</u>	<u>\$ 1,481,707</u>

Source: City officials.

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## Sales Tax Revenues

Effective with the calendar year 2001, the City entered into a sales tax revenue contract with St. Lawrence County. The City received 6.43% of sales tax revenues collected County-wide. Effective December 1, 2013 the County increased its local sales tax rate from 3% to 4%, therefore the increase in the 2014 budget. The following table shows the collected sales tax revenue for the past ten years and includes the budgeted amount for 2025:

<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>	<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>
2014	\$ 3,635,648	2020	\$ 4,094,008
2015	3,635,648	2021	4,700,010
2016	3,457,038	2022	3,021,040
2017	3,648,154	2023	2,626,591
2018	3,800,362	2024 (Unaudited)	2,860,772
2019	3,964,896	2025 (Budgeted)	2,950,000

Note: On February 28, 2022, the discontinuance of the sales tax sharing agreement with St. Lawrence County impacted the second largest source of revenue for the City significantly.

Source: City officials.

## Additional Tax Information

Real property located in the City is assessed by the City.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The City assessment roll is estimated to be constituted as follows: 66% residential; 30% commercial; 4% industrial.

The estimated total annual property tax bill of a \$75,000 market value residential property located in the City is approximately \$3,498 , including State, County and School District taxes.

## TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

*Real Property Tax Rebate.* Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the City are uncertain at this time.

## CITY INDEBTEDNESS

### Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and its indebtedness (including the Notes), include the following provisions:

*Purpose and Pledge.* Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

*Payment and Maturity.* Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless substantially level or declining debt service is utilized. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its bonds.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the City is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

### **Statutory Procedure**

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the City Charter and the General Municipal Law.

Pursuant to the Local Finance Law and its Charter, the City authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Council, the finance board of the City. Customarily, the Council has delegated to the City Comptroller, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond ordinance is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- (3) An action contesting such validity, is commenced within twenty days after the date of such publication, or,

Such obligations are authorized in violation of the provisions of the Constitution.

The City generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the City, but it is not an absolute legal requirement.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The City has authorized bonds for a variety of City objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein.)

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

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**Debt Outstanding End of Fiscal Year**

<u>Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 3,315,000	\$ 2,780,000	\$ 34,618,820	\$ 33,025,480	\$ 31,738,320
Bond Anticipation Notes	1,700,000	1,575,849	1,005,849	4,573,027	4,542,178
EFC Short Term Notes <sup>(1)</sup>	0	0	0	0	0
Tax Anticipation Notes	<u>1,400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ 5,015,000	\$ 4,355,849	\$ 35,624,669	\$ 37,598,507	\$ 36,280,498

<sup>(1)</sup> On February 28, 2019 the EFC Short Term Notes were reclassified as a New York State Water Infrastructure Improvement Act Grant. See “Capital Project Plans” herein.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the City as of February 13, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2029	\$ 31,738,320
<u>Bond Anticipation Notes</u>		
Improvements to Parks and Recreation Areas	March 7, 2025	354,151
Improvements to Parks and Recreation Areas	March 7, 2025	<u>4,188,027</u>
	Total Debt Outstanding	\$ 36,280,498

Note: The proceeds of the Notes along with \$228,178 available funds to the City will fully redeem and renew the bond anticipation notes maturing March 7, 2025. Total indebtedness will decrease by \$228,178.

**Debt Statement Summary**

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 13, 2025:

Five-Year Average Full Valuation of Taxable Real Property .....	\$ 317,264,061
Debt Limit – 7% thereof.....	22,208,484

Inclusions:

Bonds.....	\$ 1,360,000	
EFC Long Term .....	30,378,320	
Bond Anticipation Notes.....	<u>4,542,178</u>	
Total Inclusions.....		<u>\$36,280,498</u>

Exclusions:

Appropriations <sup>(1)</sup> .....	\$ 330,000	
Water Indebtedness <sup>(2)</sup> .....	0	
Sewer Indebtedness <sup>(3)</sup> .....	<u>30,378,320</u>	
Total Exclusions.....		<u>\$30,708,320</u>

Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 5,572,178</u>
Net Debt-Contracting Margin.....	<u>\$ 16,636,306</u>
The percent of debt contracting power exhausted is.....	25.09%

- <sup>(1)</sup> Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- <sup>(2)</sup> Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.
- <sup>(3)</sup> Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.

## **Bonded Debt Service**

A schedule of Bonded Debt Service may be found attached hereto as “APPENDIX – B” of this Official Statement.

## **Equipment Leases**

The City currently has sixteen additional smaller leases for various vehicles. The term for each lease ranges between three and five years. As of the date of this Official Statement, monthly payments owed by the City on the sixteen leases totals approximately \$10,000.

Source: City officials.

## **Cash Flow Borrowings**

The City did not issue for cash flow borrowing for the 2021, 2022, 2023, or 2024 fiscal years, and does not anticipate doing so for the 2025 fiscal year.

## **Capital Project Plans**

On January 30, 2017, a bond ordinance was approved for the City’s Wastewater Treatment Plant upgrade at maximum cost of \$39.1 million. The City has since revised the total project to \$43,617,468 and financed this project through the use of grants and no or low interest loans. The City issued \$1,500,000 bond anticipation notes on May 11, 2017 for the design phase of the project. The bond anticipation notes were paid from the New York State Environmental Facilities Corporation (the “EFC”) 0% \$15 million awarded note, which has been amended to a \$20 million loan award. As of the date of this Official Statement, \$5,000,000 has been dispersed to the City from the EFC New York State Water Infrastructure Improvement Act and \$5,000,000 has been dispersed to the City from the EFC New York State Water Quality Improvement Project grants. Also as of the date of this Official Statement, the City has executed permanent financing on no and low interest loans in the aggregate amount of \$32,388,820. Construction started in the spring of 2020, and was substantially complete in 2024.

New York State announced in the latter part of year 2019 that the City was awarded an \$8.7 million Lake Ontario Resiliency and Economic Development Initiative (REDI) Grant funded through DASNY. The REDI funding will provide for construction and improvements to the Parks and Recreation Areas along the City’s two Rivers and will require a 5% Local match. The four Parks and Recreation areas identified are 1) Maple City Trail at Oswegatchie and St. Lawrence Rivers, 2) Municipal Marina and City Docks at Dobisky Center, 3) Morissette Park and City Docks, 4) Greenbelt Park. The City Council passed a Bond Ordinance on November 25, 2019 authorizing the \$8.7 REDI Project funding and the issuance of \$415,849 Serial Bonds for the 5% Local match. DASNY will reimburse the City monthly 95% for costs incurred. Construction is anticipated to start in the summer of 2022. The City Council has authorized bond anticipation notes in the amount of \$3,188,027 to fund these projects. \$415,849 Bond Anticipation Notes were issued for this purpose March 10, 2022 to mature on March 10, 2023. On March 10, 2023 the City issued \$385,000 Bond Anticipation Notes, which, along with \$30,849 available funds of the City fully redeemed and renewed the notes maturing on March 10, 2023. On March 7, 2024 the City issued \$4,452,178 bond anticipation notes, of which, a \$354,151 portion of the proceeds of said bond anticipation notes, along with \$30,849 available funds of the city was used to fully redeem and renew the notes maturing on March 8, 2024. A \$323,000 portion of the proceeds of the Notes along with \$31,151 available funds of the City will partially redeem and renew the outstanding portion of bond anticipation notes issued for this project.

On February 13, 2023 the City Council adopted a bond resolution authorizing the issuance of an additional \$4,188,027 serial bonds to pay part of the cost of the construction of improvements to parks and recreation areas. On April 11, 2023 the City issued \$4,188,027 Bond Anticipation Notes as the initial borrowing against this authorization. The remaining \$4,188,027 portion of the \$4,542,178 bond anticipation notes issued March 7, 2024 was used to fully redeem and renew the notes maturing on March 8, 2024. A \$3,991,000 portion of the proceeds of the Notes along with \$197,027 available funds of the City will be used to partially redeem and renew the remaining portion of the outstanding bond anticipation notes issued for this project.

The City has committed to a capital project to improve the Main Street pump station. Costs are projected to be \$1,800,000 of which a grant in the amount of \$1,000,000 from the Norther Border Regional Commission (NBRC) will be used to offset the costs of the project; In 2023 the City was awarded \$400,000 from St. Lawrence County’s ARPA funding to assist in the costs of this project. There is \$174,104 from a SAM Grant which will also offset costs. Therefore, the remaining costs are expected to be paid from the sewer fund. The project is in the final stages and nearing completion.

The City is currently in the process of working with EFC on the financing for three additional water and sewer projects including \$2,000,000 for Lead Service Line Replacement, \$5,000,000 for reconstruction of East David Street sewer lines, and an additional \$2,300,000 project to finance reconstruction of wastewater pump stations in and for the City.

An additional project currently in the bidding stage is a FEMA project to repair city-owned docks damaged in the storm of December 2022 expected to cost approximately \$500,000.

The city has been awarded additional community development grants for two projects. The first is a Green Resilience Grant (GRG) through EFC for a \$3,250,000 project to upgrade a city-owned parking lot in the business district. The second is a \$3,135,000 project to upgrade the city’s outdoor swimming pool with funding awarded from DASNY.

The City considers its capital needs on an annual basis.

The City has a need for various capital repairs to facilities, for which current estimated costs could approach \$3,000,000. The City will contemplate the need for borrowing in order to do capital projects to city owned property. The exact timeframe and sources of funding have not yet been determined as the repairs have not yet been approved by City Council

The City currently has no other authorizations outstanding, and no other borrowings are anticipated.

**Estimated Overlapping Indebtedness**

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Overlapping Net Indebtedness</u>
County of:						
St. Lawrence	6/28/2024	\$ 21,750,000 <sup>(3)</sup>	\$ 455,000 <sup>(2)</sup>	\$ 21,295,000	4.86%	\$ 1,034,937
School District:						
Ogdensburg	12/13/2024	26,995,000 <sup>(3)</sup>	26,455,100 <sup>(4)</sup>	539,900	74.86%	<u>404,169</u>
					Total:	<u>\$ 1,439,106</u>

Notes:

- (1) Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Estimated State Building Aid.

**Debt Ratios**

The following table sets forth certain ratios related to the City's indebtedness as of February 13, 2025:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 5,572,178	\$ 598.90	1.56%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	7,011,284	735.58	1.97

- (a) The 2023 estimated population of the City is estimated to be 9,304. (See "THE CITY – Population Trends" herein.)
- (b) The City's full valuation of taxable real estate for the 2025 fiscal year is \$356,752,813. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
- (c) See "Debt Statement Summary" herein for a calculation of Net Indebtedness.
- (d) The City's applicable share of Net Overlapping Indebtedness is estimated to be \$1,439,106. (See “Estimated Overlapping Indebtedness” herein.)



## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

**General Municipal Law Contract Creditors' Provision.** Each Note when duly issued and paid for will constitute a contract between the City and the holder thereof. Under current law, provision is made for contract creditors of the City to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the City, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of the Notes to receive interest and principal from the City could be adversely affected by the restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The City has not requested FRB assistance, nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service, but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

**No Past Due Debt.** No principal of or interest on City indebtedness is past due. The City has never defaulted in the payment of the principal of and interest on any indebtedness.

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction, or any of their respective agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The City is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the City, in this year or future years, the City may be affected by a delay, until sufficient taxes

have been received by the State to make State aid payments to the City. In several recent years, the City has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE CITY - State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the City to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the City. Unforeseen developments could also result in substantial increases in City expenditures, thus placing strain on the City's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the City. Any such future legislation would have an adverse effect on the market value of the Notes (See "Tax Exemption" herein).

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the City without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the City, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

The spread of the novel Covid-19 virus across the United States caused the federal government to declare a national state of emergency. The State of New York likewise declared a state of emergency and the Legislature has added "disease outbreak" to the definition of "disaster" (which already includes "epidemic") in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020.

Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same.

While the virus or similar pandemic, may directly affect revenue streams supporting debt such as that issued by port and airport authorities, it is not possible to determine or reasonably predict at this time whether there could also be any continuing material impact on local municipal and school district budgets, or state and local resources to meet their obligations supporting same. As of 2025 the City is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

Cybersecurity. The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

## **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the City will enter into a Material Event Notices Certificate, the form of which is attached hereto as "APPENDIX - C".

## Historical Compliance

Apart from as noted below, the City has maintained compliance, in all material respects, within the last five years with all previous undertakings made pursuant to Rule 15c2-12:

The City did not timely file its Audited Financial Statements for the fiscal years ended December 31, 2019, December 31, 2020, and December 31, 2021, which is required under its existing continuing disclosure undertakings. The Audited Financial Statements for the fiscal year ended December 31, 2019, along with a notice of its failure to provide said Audited Financial Statements, was filed on March 10, 2021. The Audited Financial Statements for the fiscal year ended December 31, 2020, along with a notice of its failure to provide said Audited Financial Statements, was filed February 25, 2022. The City failed to file its Audited financial statements for the fiscal year ended December 31, 2022 and 2023 by the last business day of the respective succeeding fiscal year. A failure to file notice was filed on January 8, 2024 and January 29, 2025 for the respective audited financial statements. The Audited Financial Statements for fiscal years ended December 31, 2022 and 2023 will be filed promptly upon availability. The City has taken action to ensure more timely completion and filing of Audited Financial Statements moving forward.

## TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York (or any political subdivision thereof, including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – E”.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made which would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX - E".

## LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the City.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the City, threatened against or affecting the City to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the City taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the City.

## CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the City; provided, however, the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the City and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the City, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement. (See "APPENDIX – C" herein).

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Baa3" with a stable outlook to the City's outstanding bonds. The rating reflects only the view of Moody's, and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

## MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the City to Fiscal Advisors are partially contingent on the successful closing of the Notes.

## MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management's beliefs as well as assumptions made by, and information currently available to, the City's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City's files with the repositories. When used in City documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the City, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the City will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the City.

The Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the City nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the City disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the City also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City's contact information is as follows: Jennifer Wilson, Director of Finance, City Hall, 330 Ford Street, Ogdensburg, New York 13669, Phone: (315) 393-1860 x2109, Email: [jwilson@ogdensburg.org](mailto:jwilson@ogdensburg.org).

**CITY OF OGDENSBURG**

**Dated: February 13, 2025**

**ANGELA M. GRAY**  
**City Comptroller/Chief Fiscal Officer**

**GENERAL FUND**

**Balance Sheets**

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u> (unaudited)	<u>2023</u> (unaudited)
<b><u>ASSETS</u></b>					
Cash - Unrestricted	\$ 3,123,445	\$ 3,121,989	\$ 4,352,795	\$ 2,874,350	\$ 3,438,974
Cash - Restricted	17,532	17,534	31,256	31,256	-
Receivables:					
Taxes	1,313,462	1,276,214	1,477,713	1,306,712	1,900,677
Other	303,059	159,887	189,787	223,758	294,968
Due from Other Funds	317,300	439,358	218,938	2,072,349	-
Due from Fiduciary Funds	1,356	44,248	59,041	-	-
Due from Other Governments	1,980,811	1,900,735	1,599,408	1,293,519	1,084,373
Prepaid Expenses	26,413	232,803	17,638	200,803	139,198
Investments	-	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 7,083,378</u>	<u>\$ 7,192,768</u>	<u>\$ 7,946,576</u>	<u>\$ 8,002,747</u>	<u>\$ 6,858,190</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Accounts Payable	\$ 408,797	\$ 647,245	\$ 207,117	\$ 2,108,925	\$ 1,795,541
Accrued Liabilities	-	374,165	451,780	799,143	132,061
Accrued Interest Payable	98,310	39,880	39,643	31,460	176,513
Other Liabilities	-	-	-	90,624	42,785
Notes Payable	1,400,000	-	-	-	-
Due to Other Funds	-	-	186,530	380,243	149,569
Due from Fiduciary Funds	8	-	-	-	-
Due to Other Governments	2,603,322	2,095,392	616,353	245,722	276,541
Deferred Revenue	-	-	304,260	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>\$ 4,510,437</u>	<u>\$ 3,156,682</u>	<u>\$ 1,805,683</u>	<u>\$ 3,656,117</u>	<u>\$ 2,573,010</u>
<b><u>FUND EQUITY</u></b>					
Nonspendable	\$ 26,413	\$ 232,803	\$ 17,638	\$ 200,803	\$ 139,198
Restricted	17,532	17,534	31,256	31,256	17,651
Assigned	67,383	41,125	230,841	2,389,828	850,039
Unassigned	2,461,613	3,744,624	5,861,158	1,724,743	3,278,293
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUND EQUITY	<u>\$ 2,572,941</u>	<u>\$ 4,036,086</u>	<u>\$ 6,140,893</u>	<u>\$ 4,346,630</u>	<u>\$ 4,285,181</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 7,083,378</u>	<u>\$ 7,192,768</u>	<u>\$ 7,946,576</u>	<u>\$ 8,002,747</u>	<u>\$ 6,858,190</u>

Source: 2019-2021 Audited financial reports and 2022 and 2023 Annual Financial Report (unaudited) of the City. 2022 and 2023 final audited results may vary from unaudited figures. This Appendix itself is not audited.



**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u> (unaudited)
<b><u>REVENUES</u></b>					
Real Property Taxes	\$ 5,132,273	\$ 4,557,112	\$ 5,512,344	\$ 5,035,774	\$ 4,562,248
Real Property Tax Items	210,436	204,824	293,095	298,785	209,580
Non-Property Tax Items	4,097,412	4,252,871	4,414,169	4,978,637	3,220,733
Departmental Income	493,701	701,220	366,156	682,548	391,875
Intergovernmental Charges	360,851	422,057	305,685	332,633	397,871
Use of Money & Property	160,020	176,553	124,768	80,813	174,274
Licenses and Permits	47,770	50,800	45,427	74,457	37,337
Fines and Forfeitures	35,415	31,520	18,290	12,926	39,355
Sale of Property and Compensation for Loss	46,834	5,432	26,783	171,578	101,423
Miscellaneous	25,016	1,085,566	899,093	69,004	64,340
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	2,392,092	2,453,037	2,400,842	3,373,242	3,549,824
Revenue from Federal Aid	183,318	58,978	145,472	63,346	783,567
<b>Total Revenues</b>	<b>\$ 13,185,138</b>	<b>\$ 13,999,970</b>	<b>\$ 14,552,124</b>	<b>\$ 15,173,743</b>	<b>\$ 13,532,427</b>
<b><u>EXPENDITURES</u></b>					
General Government Support	\$ 1,314,553	\$ 2,755,918	\$ 2,351,454	\$ 1,850,395	\$ 2,370,089
Public Safety and Health	7,801,576	7,837,239	8,192,183	7,991,510	9,623,832
Transportation	2,035,536	2,230,759	1,865,459	2,529,701	2,462,589
Economic Assistance and Opportunity	14,600	14,610	18,459	158,616	216,480
Culture and Recreation	502,337	576,065	456,673	436,899	515,921
Home and Community Services	357,901	332,364	325,614	143,757	468,821
Employee Benefits	10,000	3,626	25,102	18,282	10,665
Debt Service	342,712	370,025	320,162	316,606	310,173
<b>Total Expenditures</b>	<b>\$ 12,379,215</b>	<b>\$ 14,120,606</b>	<b>\$ 13,555,106</b>	<b>\$ 13,445,766</b>	<b>\$ 15,978,570</b>
Excess of Revenues Over (Under) Expenditures	<b>\$ 805,923</b>	<b>\$ (120,636)</b>	<b>\$ 997,018</b>	<b>\$ 1,727,977</b>	<b>\$ (2,446,143)</b>
Other Financing Sources (Uses):					
Operating Transfers In	943,053	932,726	885,620	815,328	812,876
Operating Transfers Out	(661,854)	(465,616)	(419,493)	(438,498)	(160,995)
<b>Total Other Financing</b>	<b>\$ 281,199</b>	<b>\$ 467,110</b>	<b>\$ 466,127</b>	<b>\$ 376,830</b>	<b>\$ 651,881</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<b>1,087,122</b>	<b>346,474</b>	<b>1,463,145</b>	<b>2,104,807</b>	<b>(1,794,262)</b>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	1,139,345	2,226,467	2,572,941	4,036,086	6,140,893
Prior Period Adjustments (net)	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,226,467</b>	<b>\$ 2,572,941</b>	<b>\$ 4,036,086</b>	<b>\$ 6,140,893</b>	<b>\$ 4,346,631</b>

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Fiscal Years Ending December 31:	<b>2023</b>		<b>2024</b>		<b>2025</b>	
	Adopted Budget	Unaudited Actual	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
<b><u>REVENUES</u></b>						
Real Property Taxes	\$ 4,746,350	\$ 4,734,869	\$ 5,716,220	\$ 5,599,055		
Real Property Tax Items	207,741	235,569	74,741	60,508		
Non-Property Tax Items	2,900,000	2,961,519	2,900,000	3,230,267		
Departmental Income	409,900	411,087	409,250	461,682		
Intergovernmental Charges	415,000	532,610	651,000	642,500		
Use of Money & Property	119,000	313,734	269,000	381,000		
Licenses and Permits	46,850	30,353	46,950	36,850		
Fines and Forfeitures	15,500	6,695	15,500	15,500		
Sale of Property and Compensation for Loss	34,358	41,719	118,500	51,000		
Miscellaneous	48,000	154,807	95,000	108,324		
Interfund Revenues	1,081,751	-	-			
Revenues from State Sources	2,508,659	2,639,561	2,968,946	2,592,071		
Revenues from Federal Sources	171,000	155,948	183,400	167,500		
Total Revenues	\$ 12,704,109	\$ 12,218,471	\$ 13,448,507	\$ 13,346,257		
<b><u>EXPENDITURES</u></b>						
General Government Support	\$ 1,861,871	\$ 1,950,159	\$ 2,002,537	\$ 2,356,129		
Public Safety and Health	8,133,204	7,734,973	8,607,577	8,739,174		
Transportation	2,166,089	2,160,731	2,951,776	2,456,184		
Economic Assistance and Opportunity	-	-	-	-		
Culture and Recreation	574,812	470,352	539,188	603,599		
Home and Community Services	174,032	174,253	-	-		
Employee Benefits	74,000	7,513	11,840	-		
Debt Service	925,015	412,756	466,854	462,948		
Total Expenditures	\$ 13,909,023	\$ 12,910,737	\$ 14,579,772	\$ 14,618,034		
Excess of Revenues Over (Under) Expenditures	\$ (1,204,914)	\$ (692,266)	\$ (1,131,265)	\$ (1,271,777)		
Other Financing Sources (Uses):						
Operating Transfers In	-	1,081,751	800,000	801,777		
Operating Transfers Out	-	(59,000)	(160,000)	(30,000)		
Total Other Financing	\$ -	\$ 1,022,751	\$ 640,000	\$ 771,777		
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,204,914)	330,485	(491,265)	(500,000)		
<b><u>FUND BALANCE</u></b>						
Fund Balance - Beginning of Year	74,124	4,452,142	4,782,627	4,291,362		
Prior Period Adjustments (net)	-	-	-	-		
Fund Balance - End of Year	\$ (1,130,790)	\$ 4,782,627	\$ 4,291,362	\$ 3,791,362		

Source: 2023 Annual Financial Report (unaudited) and 2024 adopted budget of the City.  
2023 final audited results may vary from unaudited figures. This Appendix itself is not audited.

**CHANGES IN FUND EQUITY**

Fiscal Year Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u> <u>(unaudited)</u>	<u>2023</u> <u>(unaudited)</u>
<b><u>SPECIAL GRANT FUND</u></b>					
Fund Equity - Beginning of Year	\$ 205,399	\$ 183,669	\$ 224,482	\$ 246,284	\$ 265,995
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	621,915	146,876	57,007	49,951	16,286
Expenditures & Other Uses	643,645	106,063	35,205	30,240	3,047
Fund Equity - End of Year	\$ 183,669	\$ 224,482	\$ 246,284	\$ 265,995	\$ 279,234
<b><u>WATER FUND</u></b>					
Fund Equity - Beginning of Year	\$ 1,578,529	\$ 1,599,744	\$ 1,835,800	\$ 2,532,153	\$ 3,004,156
Prior Period Adjustments (net)	-	-	-	-	(7,701)
Revenues & Other Sources	2,095,710	2,341,240	2,530,474	2,272,246	2,375,546
Expenditures & Other Uses	2,074,495	2,105,184	1,834,121	1,800,243	2,107,397
Fund Equity - End of Year	\$ 1,599,744	\$ 1,835,800	\$ 2,532,153	\$ 3,004,156	\$ 3,264,604
<b><u>SEWER FUND</u></b>					
Fund Equity - Beginning of Year	\$ 2,234,314	\$ 2,184,473	\$ 2,601,818	\$ 3,009,321	\$ 3,237,821
Prior Period Adjustments (net)	-	-	-	4	(9,410)
Revenues & Other Sources	2,341,344	2,801,556	2,787,329	2,825,243	3,218,029
Expenditures & Other Uses	2,391,185	2,384,211	2,379,826	2,596,747	3,787,565
Fund Equity - End of Year	\$ 2,184,473	\$ 2,601,818	\$ 3,009,321	\$ 3,237,821	\$ 2,658,875
<b><u>LIBRARY FUND</u></b>					
Fund Equity - Beginning of Year	\$ 175,159	\$ 134,172	\$ 54,545	\$ 33,671	\$ 28,706
Prior Period Adjustments (net)	-	-	-	-	(447)
Revenues & Other Sources	534,496	865,914	447,860	115,130	59,060
Expenditures & Other Uses	575,483	945,541	468,734	120,095	81,661
Fund Equity - End of Year	\$ 134,172	\$ 54,545	\$ 33,671	\$ 28,706	\$ 5,658
<b><u>SELF INSURANCE FUND</u></b>					
Fund Equity - Beginning of Year	\$ 522,532	\$ 605,336	\$ 703,243	\$ 799,838	\$ 738,895
Prior Period Adjustments (net)	-	-	-	(1)	-
Revenues & Other Sources	3,701	278,630	274,378	150,480	150,374
Expenditures & Other Uses	(79,103)	180,723	177,783	211,422	337,970
Fund Equity - End of Year	\$ 605,336	\$ 703,243	\$ 799,838	\$ 738,895	\$ 551,299

Source: 2019-2021 Audited financial reports and 2022 and 2023 Annual Financial Report (unaudited) of the City. 2022 and 2023 final audited results may vary from unaudited figures. This Appendix itself is not audited.

**BONDED DEBT SERVICE**

<u>Fiscal Year Ending December 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 330,000	\$ 41,900	\$ 371,900
2026	350,000	30,600	380,600
2027	350,000	19,700	369,700
2028	190,000	7,738	197,738
2029	140,000	2,100	142,100
<b>TOTALS</b>	<b>\$ 1,360,000</b>	<b>\$ 102,038</b>	<b>\$ 1,462,038</b>

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending December 31st	2019 Public Improvement			2018 Public Improvement		
	Principal	Interest	Total	Principal	Interest	Total
	2025	\$ 120,000	\$ 17,850	\$ 137,850	\$ 50,000	\$ 9,900
2026	130,000	14,100	144,100	50,000	7,150	57,150
2027	130,000	10,200	140,200	50,000	4,400	54,400
2028	135,000	6,225	141,225	55,000	1,513	56,513
2029	140,000	2,100	142,100	-	-	-
<b>TOTALS</b>	<b>\$ 655,000</b>	<b>\$ 50,475</b>	<b>\$ 705,475</b>	<b>\$ 205,000</b>	<b>\$ 22,963</b>	<b>\$ 227,963</b>

Fiscal Year Ending December 31st	2016 Refunding of 2007 Bonds		
	Principal	Interest	Total
2025	\$ 160,000	\$ 14,150	\$ 174,150
2026	170,000	9,350	179,350
2027	170,000	5,100	175,100
<b>TOTALS</b>	<b>\$ 500,000</b>	<b>\$ 28,600</b>	<b>\$ 528,600</b>

### MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the City has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the City
- (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the City determines that any such other event is material with respect to the Note; but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The City reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the City’s obligations under its material event notices undertaking and any failure by the City to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in a manner consistent with the Rule, with the approving opinion of nationally recognized bond counsel.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

See “CONTINUING DISCLOSURE – Historical Compliance” for an overview of the City’s past historical compliance.

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**CITY OF OGDENSBURG**  
**ST. LAWRENCE COUNTY, NEW YORK**

**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**

**DECEMBER 31, 2021**

**The Audited Financial Statements, including option, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.**



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

**CITY OF OGDENSBURG, NEW YORK**

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

301 Ford Street  
P.O. Box 327  
Ogdensburg, NY 13669  
(315) 393-7502  
Fax: (315) 265-3530  
[www.pmhvcpa.com](http://www.pmhvcpa.com)

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ogdensburg, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Ogdensburg, New York's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ogdensburg, New York, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

### ***Required Supplementary Information***

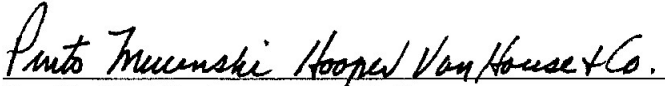
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages 4 – 11, budgetary comparison information on Page 51, schedule of contributions on Page 52, schedule of proportionate share of the net pension liability/(asset) on Page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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

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

  
Przemyslaw Hooper  
Certified Public Accountants, P.C.

February 7, 2023

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

## **1. FINANCIAL HIGHLIGHTS**

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

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

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

## **2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

#### Schedule 1: Condensed Statement of Net Position

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

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

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



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

**Schedule 2: Condensed Statement of Activities**

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

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

**Governmental Activities**

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

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

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

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

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

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

**THE CITY'S FUNDS - Governmental Funds**

- 1) General Fund – The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$ 5,861,158 and the total fund balance was \$ 6,140,893. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year ending December 31, 2021, unassigned fund balances represent 44% of total fund expenditures (including transfers out), while total fund balance was 28.9% of the same amount. The total fund balance of the City's General Fund increased by \$ 1,727,977 or 42.8% during the current fiscal year.
  
- 2) Capital Projects Fund – The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases. At the end of the current fiscal year, the fund balance showed a deficit balance of \$ 23,169,924.
  
- 3) Special Revenue Fund – The Special Revenue Fund for the City is made up of the following individual funds: Community Development Fund, Water Fund, Sewer Fund, Library/Museum Fund, and Self-Insurance Fund. The Community Development Fund is a special revenue fund used to account for the programs and projects primarily funded by the U.S. Department of Housing and Urban Development as well as other federal and state grant programs. At the end of the current fiscal year, the total special revenue fund balance was \$ 6,621,267.

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

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

#### 4. BUDGETARY HIGHLIGHTS

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

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

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

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

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

#### 5. CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

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

Major capital asset additions during 2021 included:

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

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

## Capital Assets

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

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

## Long-Term Debt and Other Long-Term Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

## **7. REQUEST FOR INFORMATION**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**ASSETS**

**Current Assets**

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

**Noncurrent Assets**

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

**Deferred Outflows of Resources**

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

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

**Current Liabilities**

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

**Noncurrent Liabilities**

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

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

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

**Net Position**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

See notes to financial statements.



CITY OF OGDENSBURG, NEW YORK

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

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

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

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**Basis of Presentation**

**Government-Wide Statements**

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

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

## CITY OF OGDENSBURG, NEW YORK

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Fund Financial Statements**

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

The City reports the following major governmental funds:

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

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

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

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

##### **Measurement Focus and Basis of Accounting**

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

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



**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting (Continued)**

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

**Cash and Investments**

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

**Property Taxes**

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable**

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

**Due To/From Other Funds**

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

**Capital Assets**

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

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

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

**Vested Employee Benefits**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Vested Employee Benefits (Continued)**

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

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

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

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

**Postemployment Benefits Other Than Pensions (OPEB)**

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

**Budgetary Procedures and Budgetary Accounting**

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

The City employs the following budgetary procedures:

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds.

Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**Deferred Revenue**

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

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

**Restricted Resources**

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

**Fund Balance – Reservations and Designations**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance – Reservations and Designations (Continued)**

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

**Inventories**

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

**Insurance**

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in several areas, including the computation of compensated absences, potential contingent liabilities, self-insurance accruals and useful lives of long-lived assets.

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows / Inflows of Resources Related to Pension and OPEB**

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

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

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

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

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

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

**NOTE 3 - CASH AND INVESTMENTS**

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policy. City monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The comptroller is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**Cash on Deposit/Collateral**

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreements.

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

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

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

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

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

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



**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**Cash on Deposit/Collateral (Continued)**

2. Restricted Cash - Restricted cash of \$ 57,803 in the Special Revenue (Insurance) Fund is being held for future unemployment insurance claims, \$ 195,391 in the Community Development Fund is being held for community development projects and \$ 623,994 in the Capital Fund is being held for capital projects. The General Fund has restricted cash of \$ 31,256 held for various reserves described in Note 8 - Fund Equity. Total restricted cash is \$ 908,444.
  
3. Investment Pool - The City participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of its cash in cooperation with other participants. At December 31, 2021, the City's share, \$ 8,880,383, of the pooled investments consisted of various investments in securities issued by the United States and its agencies. The investments are highly liquid and are considered to be cash equivalents and are included in the unrestricted and restricted amounts referred to above. The amount of investments by fund are as follows:

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 4 - CAPITAL ASSETS**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 4 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

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

**NOTE 5 - SHORT-TERM DEBT**

**Bond Anticipation Notes** - Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

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

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

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 5 - SHORT-TERM DEBT (Continued)**

**Due to Other Governments**

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

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

**NOTE 6 - LONG-TERM DEBT**

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

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

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 6 - LONG-TERM DEBT (Continued)**

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 6 - LONG-TERM DEBT (Continued)**

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

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

**Debt Limits**

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

**NOTE 7 - INTERFUND RECEIVABLE AND PAYABLES**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 8 - FUND EQUITY**

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

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

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

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

**NOTE 9 - DEFERRED COMPENSATION**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS**

**Plan Descriptions and Benefits Provided**

The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

*Tiers 1 and 2*

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

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.



**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

**Plan Descriptions and Benefits Provided (Continued)**

*Tiers 1 and 2 (Continued)*

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

*Tiers 3, 4, and 5*

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

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

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

*Tier 6*

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

**Plan Descriptions and Benefits Provided (Continued)**

*Tiers 6 (Continued)*

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

**Ordinary Disability Benefits**

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

**Special Plans**

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

**Accidental Disability Benefits**

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

**Ordinary Death Benefits**

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

**Plan Descriptions and Benefits Provided (Continued)**

Post-Retirement Benefit Increases

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

Contributions

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

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

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

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

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

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

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

**ACTUARIAL ASSUMPTIONS**

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

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

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

**ACTUARIAL ASSUMPTIONS (Continued)**

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

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

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

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

**DISCOUNT RATE**

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 10 - PENSION OBLIGATIONS (Continued)**

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.9% for PFRS and ERS, as well as what the City's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

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

**PENSION PLAN FIDUCIARY NET POSITION**

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

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

**General Information about the OPEB Plan**

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

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

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

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

**Total OPEB Liability**

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

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

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

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



**CITY OF OGDENSBURG, NEW YORK**

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

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

**Changes in the Total OPEB Liability**

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

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

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

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

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

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 24,307,521	\$ 28,374,407	\$ 33,541,140

**CITY OF OGDENSBURG, NEW YORK**

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

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

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

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

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

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

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

**NOTE 12 - CONSTITUTIONAL TAX LIMIT**

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

**NOTE 13 - OPERATING LEASES**

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

For fiscal years ended December 31,

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 13 - OPERATING LEASES (Continued)**

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

For fiscal years ended December 31,

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

**NOTE 14 - CONTINGENCIES**  
**State and Federal Aid**

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

**Other Claims**

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

**NOTE 15 - COVID-19 UNCERTAINTY**

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

**NOTE 16 - SUBSEQUENT EVENTS**

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

**Additional Debt**

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

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

Both debt issuances will be repaid by the Sewer Fund.

**CITY OF OGDENSBURG, NEW YORK**

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

**NOTE 16 - SUBSEQUENT EVENTS (Continued)**

**Sales Tax**

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

**Arbitration Decision**

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

CITY OF OGDENSBURG, NEW YORK

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

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

**CITY OF OGDENSBURG, NEW YORK**

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

**NYSERS PENSION PLAN**

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

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

**NYSPPRS PENSION PLAN**

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

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

See paragraph on supplemental schedules in auditor's report.

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

**NYSERS PENSION PLAN**

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

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

**NYSFRS PENSION PLAN**

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

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

See paragraph on supplemental schedules in auditor's report.

**CITY OF OGDENSBURG, NEW YORK**

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

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

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



**CITY OF OGDENSBURG, NEW YORK**

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

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

CITY OF OGDENSBURG, NEW YORK

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

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



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

301 Ford Street  
P.O. Box 327  
Ogdensburg, NY 13669  
(315) 393-7502  
Fax: (315) 265-3530  
[www.pmhvcpa.com](http://www.pmhvcpa.com)

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

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

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

**Report on Internal Control over Financial Reporting**

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

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


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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

February 7, 2023

## FORM OF BOND COUNSEL'S OPINION

March 6, 2025

City of Ogdensburg  
 County of St. Lawrence  
 State of New York

Re: City of Ogdensburg, County of St. Lawrence New York  
 \$4,314,000 Bond Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$4,314,000 Bond Anticipation Notes, 2025 (Renewals) (the "Obligations"), of the City of Ogdensburg, County of St. Lawrence, State of New York (the "Obligor"), dated March 6, 2025, in the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_\_\_% per annum, payable at maturity, and maturing March 6, 2026.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon subject to applicable statutory limitations; provided however that, the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State of the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax on individuals. We observe that interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP