

NEW ISSUE**BOND RATING: NOT RATED****SERIAL BONDS****See "RATINGS" herein**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds 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 Bonds. See "TAX MATTERS" herein.

The Bonds will be designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$1,250,000**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT****ST. LAWRENCE COUNTY, NEW YORK****GENERAL OBLIGATIONS****\$1,250,000 School District (Serial) Bonds, 2022****(referred to herein as the "Bonds")****Dated: February 1, 2022****Due: February 1, 2023-2027****MATURITIES***

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2023	\$ 245,000				2026	\$ 255,000			
2024	245,000				2027	255,000			
2025	250,000								

* Subject to change pursuant to the accompanying Notice of Private Competitive Bond Sale in order to achieve substantially level or declining annual debt service.

The Bonds are general obligations of the Enlarged Ogdensburg City School District, St. Lawrence County, New York, (the "District") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATIONS" and "TAX LEVY LIMITATION LAW" herein.

The Bonds are not subject to redemption prior to maturity.

Proposals for the Bonds shall be for not less than \$1,250,000 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds will be issued as registered bonds and, at the option of the purchaser, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on August 1, 2022 and semi-annually thereafter on February 1 and August 1 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey on or about February 1, 2022.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on January 19, 2022 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Sale for the Bonds.

January __, 2022

THE DISTRICT 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 BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX-D, CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK
SCHOOL DISTRICT OFFICIALS**

2021-2022 BOARD OF EDUCATION

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District Treasurer

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Assistant Superintendent of Schools for Curriculum, Instruction,
Assessment and Technology

KALEB BERTRAND
Assistant Business Manager

MARIAH PEARSON
District Clerk

ANDREW SILVER, ESQ.
Local Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by the Enlarged Ogdensburg City School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates 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 Enlarged Ogdensburg City School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK
Relating To
\$1,250,000 School District (Serial) Bonds, 2022

This Official Statement, which includes the cover page, has been prepared by the Enlarged Ogdensburg City School District, St. Lawrence County, New York (the “School District” or “District”, “County”, and “State”, respectively) in connection with the sale by the School District of \$1,250,000 School District (Serial) Bonds, 2022 (herein referred to as the “Bonds”).

The factors affecting the School District’s financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the School District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the School District 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 Bonds and the proceedings of the School District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District’s overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See “MARKET AND RISK FACTORS” herein.

NATURE OF THE OBLIGATIONS

Each of the Bonds when duly issued and paid for will constitute a contract between the School District and the holder thereof.

Holders of any series of notes or bonds of the School District 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 Bonds will be general obligations of the School District and will contain a pledge of the faith and credit of the School District 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 School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District, without limitation as to rate or amount.

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 School District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds 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 School District’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 LIMITATION LAW” 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.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds 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 School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See “NATURE OF THE OBLIGATIONS” and “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated February 1, 2022 and will mature in the principal amounts and on the dates as set forth on cover page of this Official Statement. Interest on the Bonds will be payable on August 1, 2022 and semi-annually thereafter on February 1 and August 1 in each year until maturity. The Bonds are NOT subject to redemption prior to maturity. The record date for the Bonds will be the fifteenth day of the calendar month (whether or not a business day) preceding such interest payment. Interest on the Bonds will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds, registered in the name of the purchaser, or, at the option of the purchaser, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See “BOOK-ENTRY-ONLY SYSTEM” herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

No Optional Redemption

The Bonds are NOT subject to redemption prior to maturity.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on March 1, 2021 authorizing the issuance of \$1,300,000 serial bonds to finance the purchase of twelve (12) student transportation vehicles, including related furnishings and equipment incidental thereto, at a total estimated cost not to exceed \$1,300,000.

The proceeds of the Bonds will provide \$1,250,000 in money to finance the abovementioned transportation vehicles and equipment.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, if so requested. The Bonds 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 bond certificate will be issued for each maturity of the Bonds.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, 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 3.6 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, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated 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”). 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.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Bonds 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 District on payable date 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 nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, 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 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 DISTRICT 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 OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT 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 Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, for any single maturity, except for one necessary odd denomination. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on August 1, 2022 and semi-annually thereafter on February 1 and August 1 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the fifteenth day of the calendar month (whether or not a business day) preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

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THE DISTRICT

General Information

The School District is located in northern New York State along the St. Lawrence River. The School District encompasses approximately 12 square miles of land area. The School District includes the City of Ogdensburg (the “City”) and parts of the Towns of Lisbon and Oswegatchie. Major highways in and around the School District include Routes #37 and #12, which connect the School District with U. S. Interstate 81, a major New York State Expressway.

Police protection is provided by the County of St. Lawrence and the City of Ogdensburg. Gas service is provided by the Liberty Utilities Corporation and electric power is provided by National Grid. Fire protection is provided by the City of Ogdensburg and various other volunteer fire districts.

District Population

The 2019 estimated population of the District is 10,887. (Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and Counties listed below. The figures set below with respect to such Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
City of:						
Ogdensburg	\$ 16,650	\$ 17,651	\$ 21,485	\$ 36,236	\$ 44,625	\$ 52,936
Towns of:						
Lisbon	15,784	21,677	29,130	38,384	52,625	84,650
Oswegatchie	16,236	25,926	26,245	39,459	56,773	68,917
County of:						
St. Lawrence	15,728	20,143	25,378	38,510	50,384	62,727
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

Note: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates data is not available as of the date of this Continuing Disclosure Statement.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
St. Lawrence County	7.8%	7.4%	6.7%	6.6%	5.6%	5.3%	8.2%
New York State	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	10.0%

	<u>2021 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	7.0%	7.3%	6.7%	5.8%	5.0%	5.7%	6.1%	5.9%	4.5%	4.4%	4.0%	N/A
New York State	9.4%	9.7%	8.4%	7.7%	7.0%	7.2%	7.4%	7.1%	6.3%	5.9%	5.5%	N/A

Note: Unemployment rates for the month of December 2021 and annual averages for 2021 are not available as of the date of this Official Statement. Unemployment rates spiked in April, 2020 as a result of the COVID-19 pandemic and the impact of the pandemic on unemployment rates is expected to be felt for the foreseeable future.

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

Larger Employers

Below are some of the major employers within St. Lawrence County whereby District residents find employment.

<u>Name</u>	<u>Type</u>	<u>Employees</u>
United Helpers Nursing Care Providers With Northern Lights	Healthcare	703
Claxton-Hepburn Medical Center Including contract workers	Healthcare	905
State of New York	Correctional Facilities	625
St. Lawrence Psychiatric Center With STARC	Psychiatric Center	550

Recent Economic Developments

Ogdensburg is home to a variety of grocery stores including Price Chopper, Aldi, and Save-a-Lot. In most recent years, Maurice's, a women's clothing store, and GNC have opened in the Price Chopper plaza. Tim Horton's Café and Bake Shop, Dunkin Donuts and a new Taco Bell set to open soon and other small business have opened and continue to open within our district. There is new construction for a 24/7 Crisis Clinic, also new construction for an Urgent Care Facility.

United Helpers has closed their nursing home facility with many of the employees transferring to other United Helper Facilities in close locations. They continue to grow their operations in additional areas; such as transforming the nursing home into an apartment complex, plans to build condominiums, a marina and a recreational use area. . Claxton-Hepburn Medical Facilities continues to improve on services and facilities. They are recently expanding their Mental Health Unit for a Children's Unit. Community Health Center of the North Country opened in 2020 with many of the services they intended for the facility. They continue to move forward with their plans to fully open. The 15,000 SF medical clinic presently is employing approximately 24 and will employ approximately 40 employees when fully opened. It is housed in the City's downtown core in a formerly vacant manufacturing building.

Ogdensburg International Airport continues to operate as a Public Use Airport. In the recent past they have offered direct flights to Albany, Chicago, Washington, D.C., Orlando, St. Pete, Clearwater, and Tampa. At this point in time, the Covid virus has had an impact on the number of flights offered, limiting the direct flights to Washington, D.C. only. The airport is classified as a Class I index B Facility. Class I airports accommodate all types of scheduled operations of air carrier aircraft designed for at least 31 passenger seats (large air carrier aircraft).

The Dobisky Visitors' Center and municipal marina in the heart of the City of Ogdensburg's green belt is located on the shores of the St. Lawrence River. It is accessible to residents, and tourists, and is also available for hosting functions. The Visitors' Center also has a concession including an outdoor patio overlooking the marina. The Ogdensburg Greenmarket (which continues to expand) is open seasonally in the green belt area and is located in Library Park near the waterfront, The Fredric Remington Museum and the downtown area.

DeFelsko, a U.S. manufacturer of Coating Thickness Gages and Inspection Instruments completed their expansion of their facility in 2016 enlarging their employee base in the City. The expansion is and will continue to help the manufacturer expand their product lines.

The City's Planning Department had a successful FRP to develop up to 17-acres of reclaimed waterfront, and is currently in negotiations with the developer. They are proposing condominiums, a marina and hospitality, possibly a hotel. These uses will complement, support, and build on the Fort de La Presentation and Marina developments that link with downtown. The Fort Le Presentation Association had received state funding and local site plan approval and completed construction which included over 1-mile of outdoor recreational trails at Lighthouse Point and an overlook. They have now completed a \$1,200,000 Park Improvement Project. While the Marina district in Ogdensburg has seen a recent surge in private sector investment, including the completion of Hosmer's Marina and newly expanded bait and tackle shop, the newly purchased hotel and marina that has not been in operation for many years. Furthermore, the City's Planning Department had been working closely with three (3) private property owners, together holding over 23-acres of undeveloped waterfront within the downtown, to expedite necessary cleanup efforts that would enable these properties to be shovel ready for redevelopment; the city has taken ownership of 1 property with approximately 8 acres, and is now working with the state on cleanup measures. The city continues to work with the other 2 private property owners on the other properties.

Form of District Government

The Board of Education is the policy-making body of the School District and consists of nine members with overlapping five-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District. The President and the Vice President are selected by the Board members.

The administrative officers of the School District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see "TAX INFORMATION – Tax Levy Limitation Law" herein.

Recent Budget Vote Results

The budget for the 2020-21 fiscal year was approved by the qualified voters on June 16, 2020 with a vote of 1,194 to 706. The adopted budget included a total tax levy increase of 2.39%, which was equal to the District's tax levy limit of 2.39% for the 2020-21 fiscal year.

The budget for the 2021-22 fiscal year was approved by the qualified voters on May 18, 2021 with a vote of 893 to 284. The adopted budget included no tax levy increase, which was below the District's tax levy limit of 0.5% for the 2021-22 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in 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 School District; (6) obligations of a New York public corporation which are made lawful investments by the School District 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 School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. 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 School District's current policy to invest in: (1) Savings Accounts or Money Market Accounts of designated banks authorized to do business in New York State, (2) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (3) Demand Deposit in a bank or trust company located in and authorized to do business in New York State, (4) Direct obligations of New York State, (5) Repurchase Agreements involving the purchase and sale of direct obligations of the United States (Direct Treasury Obligations only: T-Bills, Notes or Bonds) and (6) revenue anticipation notes or tax anticipation notes of other school districts (with the approval of the State Comptroller).

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. In its adopted budget for the 2021-22 fiscal year, approximately 70.0% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, 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 District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Federal aid received by the State.

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. The District has been allocated \$4,578,794 under the American Rescue Plan and \$2,038,773 under the Coronavirus Response and Relief Supplemental Appropriations Act.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-22 preliminary building aid ratios, the District expects to receive State building aid of approximately 98.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School District Fiscal Year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of \$991 million over 2015-16, \$863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids (\$408 million), the budget also included a \$266 million increase in Foundation Aid and an \$189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included \$100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School District Fiscal Year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School District Fiscal Year (2018-2019): The State 2018-19 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately \$859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at \$26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. \$50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6% and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7% lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4%. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State

aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State is expected to release all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget included \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment” as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. See also “*School district fiscal year (2021-2022)*” herein.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding State funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, the Governor announced that an agreement has been reached to settle the NYSER lawsuit and that the State will fully fund the Foundation aid still due to school districts by State fiscal year 2023 with one half payable during the State fiscal year 2022-2023.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues comprised of State aid for each of the below completed fiscal years as well as budgeted figures.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2016-17	\$ 39,916,318	\$ 27,738,991	69.49%
2017-18	40,075,433	27,893,053	69.60
2018-19	41,644,359	28,651,067	68.80
2019-20	42,225,118	29,404,112	69.64
2020-21	44,964,357	29,289,236	65.14
2021-22 (Budgeted)	44,666,964	31,244,458	69.95

Source: Audited financial statements for the 2016-17 through 2020-21 fiscal years, and adopted budget for the 2021-22 fiscal year (unaudited). This table is not audited.

School Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions / Renovated</u>
Madill Elementary	UPK-6	1,085	1971, '79, '92, '94, '03, '07, '15,
Kennedy Elementary	UPK-6	2,605	1964, '70, '92, '94, '03, '07, '15
Ogdensburg Free Academy	7-12	4,750	1936, '67, '70, '92, '94, '03, '07, '15, 16

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2017-18	1,749	2022-23	1,599
2018-19	1,720	2023-24	1,599
2019-20	1,663	2024-25	1,599
2020-21	1,589	2025-26	1,599
2021-22	1,599	2026-27	1,599

Source: District officials.

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
148.5	Ogdensburg Educational Association	June 30, 2021 ⁽¹⁾
104.5	Civil Service Employees' Association	June 30, 2022
6	Supervisory Unit	June 30, 2022
4	Confidential Employees	June 30, 2022
2	Superintendent & Assistant Superintendent	June 30, 2022
65	Part-time CSEA	N/A

⁽¹⁾ Currently under negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the School District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits 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 ten 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. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The law became effective for new ERS and TRS hires on January 1, 2010. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- 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 ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% 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 a New Tier VI pension program, effective for new ERS and TRS 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 the 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 contribution throughout employment.

The District's payments to ERS and TRS since the 2016-17 fiscal year and the budgeted payments for the 2021-22 fiscal year are as follows:

<u>Fiscal Year</u>	<u>TRS</u>	<u>ERS</u>
2016-17	\$ 1,412,198	\$ 340,786
2017-18	1,135,381	282,233
2018-19	1,271,596	305,827
2019-20	1,048,027	271,739
2020-21	1,099,805	294,485
2021-22 (Budgeted)	1,475,000	575,000

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount.

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 School District does not currently have any early retirement incentive programs.

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 TRS rates as a percent of payroll (2017-18 to 2021-22) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS 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 District, 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 TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years. The District is not participating in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. 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 District 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.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund in fiscal year 2018-19.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions 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.

GASB 75 and OPEB. In 2015, the GASB released new accounting standards for public other postemployment benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires school districts to report liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also requires school districts to calculate and report a net other postemployment benefit obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Armory Associates, LLC III to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at:	July 1, 2019	July 1, 2020
	<u>\$ 115,333,358</u>	<u>\$ 74,682,017</u>
<u>Changes for the year:</u>		
Service cost	3,363,482	2,066,867
Interest	4,535,564	2,647,878
Change in benefit terms	-	-
Differences between expected and actual experience	(45,673,963)	16,993,479
Changes in assumptions or other inputs	121,207	12,206,688
Benefit payments	<u>(2,997,631)</u>	<u>(2,190,465)</u>
Net Changes	<u>\$ (40,651,341)</u>	<u>\$ 31,724,447</u>
Balance ending at:	June 30, 2020	June 30, 2021
	<u><u>\$ 74,682,017</u></u>	<u><u>\$ 106,406,464</u></u>

Source: Audited financial statements of the District. The above table is not audited. For additional information see "APPENDIX – F" attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2020 and June 30, 2021.

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

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 Bonds are to be issued is the Education Law and the Local Finance Law.

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

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under “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 District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as “APPENDIX – F”. Certain summary financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from 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 ending June 30, 2003 the District 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 District is in compliance with Statement No. 34.

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 District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office released an audit report of the District on September 9, 2016. The purpose of the audit was to evaluate the District’s financial condition for the period July 1, 2014 through March 31, 2016.

Key Findings:

- The payroll clerk controls multiple aspects of the payroll process with limited oversight.

Key Recommendations:

- District officials should segregate the payroll clerk’s duties so that the clerk does not control all aspects of payroll transactions. If it is not feasible to adequately segregate these duties, District officials should establish appropriate compensating controls. Such controls include having someone independent of the payroll process review salary and wages entered into the payroll system and payroll change reports. An independent employee also should compare payroll registers to source documents.

The District provided a complete response to the State Comptroller’s office on August 10, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The District is currently undergoing a State Comptroller’s Audit and the annual internal audit. Additional details are not available as of the date of this Official Statement. The findings of the State Comptroller’s Audit will be available upon completion on the State Comptroller’s website.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation 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 report 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 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 2015-16 through 2019-20 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2020	No Designation	6.7
2019	No Designation	6.7
2018	No Designation	0.0
2017	No Designation	0.0
2016	No Designation	0.0

Note: The Fiscal Score for the 2020-21 fiscal year has not been calculated as of the date of this Continuing Disclosure Statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

TAX INFORMATION

Taxable Valuations ⁽¹⁾

<u>Year of District Tax Roll:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assessed Valuation	\$ 373,448,876	\$ 378,061,144	\$ 390,192,898	\$ 391,871,939	\$ 392,792,492
Full Valuation ⁽²⁾	\$ 373,488,527	\$ 379,019,087	\$ 390,238,555	\$ 391,934,224	\$ 392,861,949
Full Valuation ⁽³⁾	\$ 386,849,138	\$ 386,748,536	\$ 389,053,459	\$ 391,060,633	N/A

⁽¹⁾ See APPENDIX - C for computations of Full Valuation, made with the use of regular State Equalization Rates and special State Equalization Ratios.

⁽²⁾ Full Valuation computed using regular State Equalization Rates.

⁽³⁾ Full Valuation computed using special State Equalization Ratios.

Note: Special Equalization Ratios for the 2021 Assessment Roll (2021-22 School District Tax Roll) are not available until June 30, 2022.

Source: District officials.

Tax Rates Per \$1,000 (Assessed)

<u>Years Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of Ogdensburg	\$ 26.38	\$ 26.67	\$ 26.52	\$ 27.04	\$ 26.98
Town of Lisbon	31.41	32.13	32.35	35.12	35.97
Town of Oswegatchie	26.38	26.93	26.52	27.07	26.98

Source: District officials.

Tax Collection Procedure

School Taxes are due in September of each year and if paying in installments they are payable without penalty from September 1st through October 8th for the first installment and the second installment is due by January 7th. If not paying installments School Taxes are due in September through October 8th. If paid after October 8th the penalties are as follows: October 9th through November 10th, 2%; November 11th through December 9th, 3%; December 10th through January 7th, 4%; and 1% for each month thereafter.

The District receives its full levies from the County no later than the succeeding fiscal year and receives payments as collected by the City and payment in full no later than three years.

Tax Collection Record

<u>Years Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Tax Levy	\$ 9,853,914	\$ 10,108,162	\$ 10,350,926	\$ 10,598,360	\$ 10,598,360
Amount Uncollected ⁽¹⁾	473,435	511,798	221,741	388,421	N/A
% Uncollected	4.8%	5.1%	2.1%	3.7%	N/A

⁽¹⁾ District taxes are made whole by the County. See “Tax Collection Procedure” herein.

Source: District officials.

Ten Larger Taxpayers – 2021 Assessment Roll for 2021-22 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid	Utility	\$ 14,854,952
Ogdensburg Associates, LLC	Retail Shopping Center	14,728,300
Wal-Mart	Retail Store	9,661,410
ACCO International, Inc.	Manufacturing	5,650,000
St. Lawrence Gas Company	Utility	3,660,404
7-Eleven, Inc	Retail	2,703,000
NIMADI 2, LLC	Developer	2,432,350
St. Lawrence Federal Cr. Union	Retail Shopping Center	2,234,500
Jeffrey Apter	Retail Store	2,000,000
MBPJ Acquisition Corp	Manufacturing	1,970,000

The larger taxpayers listed above have a total full valuation of \$59,894,916, which represents 15.3% of the 2021-22 tax base of the School District.

The District experiences the impact of tax certiorari filings on a regular basis. At this time, the level of tax certiorari filings are within acceptable norms and are not anticipated to have a material impact on the District’s finances.

Source: School District officials.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$88,050 or less in 2020-21 and \$90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$68,700 for the 2020-21 school year and \$70,700 for the 2021-22 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The State’s 2020-21 Enacted Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The below table lists the most current basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
City of Ogdensburg	\$ 70,700	\$ 30,000	4/9/2021
Town of Lisbon	54,440	23,100	4/9/2021
Town of Oswegatchie	70,700	30,000	4/9/2021

\$2,012,516 of the District’s \$10,598,360 school tax levy for the 2020-21 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2021.

\$1,945,014 of the District’s \$10,598,360 school tax levy for the 2021-22 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2022.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the School District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes & Other Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Other Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes & Other Tax Items</u>
2016-17	\$ 39,916,318	\$ 10,212,427	25.58%
2017-18	40,075,433	10,313,813	25.74
2018-19	41,644,359	10,537,575	25.30
2019-20	42,225,118	10,741,537	25.44
2020-21	44,964,357	11,148,044	24.79
2021-22 (Budgeted)	44,666,964	11,110,360	24.87

Source: Audited financial statements for the 2016-17 through 2020-21 fiscal years, and adopted budget for the 2021-22 fiscal year (unaudited). This table is not audited.

Additional Tax Information

Real property located in the School District is assessed by the City and Towns.

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

The estimated total annual property tax bill of a \$75,000 market value residential property located in the City is approximately \$3,266.98 including City, County, School District and Library taxes.

The City assessment roll is estimated to be constituted as follows: 66.8% residential; 31.8% commercial; 1.4% industrial.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended) ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are 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 school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, 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 and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Bonds.

On February 20, 2013, the New York State United Teachers (“NYSUT”) and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT’s causes of action but granted NYSUT’s motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution and the Equal Protection and Due Process clauses and the First Amendment of the United States Constitution. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT’s motion for a preliminary injunction and dismissed all causes of action contained in NYSUT’s second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution “does not require that equal educational offerings be provided to every student”, and further noted “the legitimate government interest of restraining crippling property tax increases”. An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York’s highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and 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; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District 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 notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under “The NOTES - Nature of Obligation,” the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See “TAX LEVY LIMITATION LAW” herein.

Statutory Procedure

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

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is 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 such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution 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 Local Finance Law also provides that where a bond resolution 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 District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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 notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$ 7,975,000	\$ 29,975,000	\$ 43,980,000	\$ 40,770,000	\$ 37,220,000
Bond Anticipation Notes	44,430,000	20,085,000	0	0	0
Revenue/Tax Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 52,405,000</u>	<u>\$ 50,060,000</u>	<u>\$ 43,980,000</u>	<u>\$ 40,770,000</u>	<u>\$ 37,220,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds as of January 12, 2022:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount Outstanding</u>
Bonds	2022-2034	<u>\$ 37,220,000</u>
	Total Indebtedness	<u>\$ 37,220,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 12, 2022:

	<u>Computed Using Regular State Equalization Rates</u>	<u>Computed Using Special State Equalization Ratios</u>
Five-Year Average Full Valuation of Taxable Real Property	\$ 385,508,468	\$ 385,498,624
Debt Limit 5% thereof ⁽¹⁾	19,275,423	19,274,931
<u>Inclusions:</u>		
Bonds ⁽²⁾	\$ 37,220,000	\$ 37,220,000
Bond Anticipation Notes	0	0
Revenue Anticipation Notes	0	0
Total Inclusions	\$ 37,220,000	\$ 37,220,000
<u>Exclusions:</u>		
Revenue Anticipation Notes	\$ 0	\$ 0
Appropriations	3,665,000	3,665,000
Total Exclusions	\$ 3,665,000	\$ 3,665,000
Total Net Indebtedness	<u>\$ 33,555,000</u>	<u>\$ 33,555,000</u>
Net Debt-Contracting Margin ⁽³⁾	<u>\$ (14,279,577)</u>	<u>\$ (14,280,069)</u>
The percent of debt contracting power exhausted is	174.08%	174.09%

- (1) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said State Office, and are used for all other purposes. See "TAX INFORMATION - Taxable Assessed Valuations".
- (2) The School District has received the consent of the Board of Regents and the Office of the State Comptroller on March 12, 2013 and December 22, 2021 to exceed its debt limit. \$35,860,000 of serial bonds included in the table above and \$1,250,000 of the current issuance of the Bonds are authorized to be issued in excess of the District's debt limit.
- (3) The District receives New York State building aid in an amount approximating 98.0% of the debt service on its indebtedness incurred for building projects. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in APPENDIX - B to this Official Statement.

Cash Flow Borrowings

The School District has found it necessary in the past to borrow in anticipation of State Aid revenue payments, however, the District has not issued revenue or tax anticipation notes since the 2012-13 fiscal year.

The District has a ten-year perpetual resolution in place authorizing the District to issue revenue anticipation notes as needed for the anticipation of State aid revenue payments. This authorization will expire on March 15, 2031. The District does not have any current plans to issue revenue anticipation notes in the 2021-22 fiscal year.

Capital Project Plans and Financing

The District is currently in the planning stages of capital outlay projects and a future capital project. The capital outlay projects would be funded, completed and aid at 98% of the project cost would be received the following fiscal year. The District is planning a future referendum to address infrastructure needs and potentially a new transportation facility. The ultimate scope, dollar amount and timeline are not known as the date of the is official statement, however the District plans on using capital reserve and building aid for a no tax increase project to residents.

Other than for the current issuance of the Bonds, the District does not have any authorized and unissued debt for capital or other purposes at this time.

Estimated Overlapping Indebtedness

In addition to the School District, 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 School District. 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> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
St. Lawrence	12/31/2019 ⁽³⁾	\$ 26,355,000	\$ -	\$ 26,355,000	6.59%	\$ 1,736,795
City of:						
Ogdensburg	7/12/2019 ⁽³⁾	5,819,000	1,400,000	4,419,000	99.25%	4,385,858
Town of:						
Oswegatchie	12/31/2019 ⁽³⁾	92,486	-	92,486	37.74%	34,904
Lisbon	12/31/2019 ⁽³⁾	286,767	-	286,767	0.12%	344
Total:						<u>\$ 6,157,900</u>

Notes:

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2019 for the county, city and towns listed above.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of January 12, 2022:

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Valuation</u> ^(b)
Net Indebtedness ^(c)	\$ 33,555,000	\$ 3,082.12	8.54%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	41,102,400	3,775.37	10.46%

Note: The above ratios do not take into account State building aid the District will receive for capital projects.

(a) The District's 2019 estimated population is 10,887. (See "District Population" herein.)

(b) The District's taxable full valuation of taxable real estate for 2021-22 using regular State equalization rates is \$392,861,949. (See "Taxable Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) The District's estimated applicable share of net underlying indebtedness is \$7,547,400. (See "Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District 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 School District 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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 School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, 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. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School District 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 Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 School District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or 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 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The School District 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 in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District 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 SCHOOL DISTRICT - State Aid" herein.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District could have an impact upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. 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 the Bonds, or the tax status of interest on the Bonds. See "TAX MATTERS" herein.

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" and "State Aid History" herein).

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

In the opinion of Trespasz & Marquardt, 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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and 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 is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

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 Bonds. The School District has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Bonds being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Bonds. 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. 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 Bonds.

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 Bonds) 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 Bonds 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 Bonds is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds 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, or clarification of the Code or court decisions may cause interest on the Bonds 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. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals 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 Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future 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 Bonds are subject to the approving legal opinions of Trespasz & Marquardt, LLP, Bond Counsel to the District. Bond Counsel's opinions will be in substantially the form attached hereto as "APPENDIX – E".

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Bonds, including, but not limited to, the financial information in this Official Statement.

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District 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 School District.

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 School District, threatened against or affecting the School District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the School District.

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 District will enter into a Continuing Disclosure Undertaking, the form of which is attached hereto as "APPENDIX – D".

Historical Continuing Disclosure Compliance

The District is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

RATINGS

The Bonds are NOT rated.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their rating of "A" with a Stable outlook to the District's outstanding general obligation bonds. This rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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 bonds may have an adverse effect on the market price of the Bonds.

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 District 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 Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District 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 District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with the holders of the Bonds.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Ogdensburg City School District management's beliefs as well as assumptions made by, and information currently available to, the Ogdensburg City School District'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 Ogdensburg City School District's files with the repositories. When used in Ogdensburg City School District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Bonds, including, but not limited to, the financial 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 Bonds, the Ogdensburg City School District 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 limitation as to information in the Official Statement obtained from sources other than the Ogdensburg City School District, as to which no representation can be made.

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

The Ogdensburg City School District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website a. 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 School District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the School District 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 School District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Enlarged Ogdensburg City School District contact information is as follows: Mrs. Patricia Smithers, Business Manager, Ogdensburg City School District, 1100 State St., Ogdensburg, New York 13669, Phone: 315-386-45, Telefax: 315-379-7950, Email: psmithers@slloboces.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

Dated: January 12, 2022

**By: /s/ RONALD N. JOHNSON
President of the Board of Education
and Chief Fiscal Officer**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 4,697,608	\$ 4,801,812	\$ 5,184,621	\$ 6,261,060	\$ 5,893,419
Restricted Cash	863,574	1,593,475	1,393,374	2,684,740	7,072,704
Taxes Receivable	720,555	713,273	710,265	488,457	561,158
State and Federal Aid Receivables	1,839,460	268,735	605,943	605,589	1,151,778
Accounts and Other Receivables	163,781	1,312,476	1,403,810	1,535,120	1,701,955
Due from Other Funds	625,528	740,003	528,169	946,769	1,494,743
Due from Fiduciary Funds	-	2	2	12,601	-
Prepaid Expenses	28,263	-	-	-	128,124
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 8,938,769</u></u>	<u><u>\$ 9,429,776</u></u>	<u><u>\$ 9,826,184</u></u>	<u><u>\$ 12,534,336</u></u>	<u><u>\$ 18,003,881</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 336,435	\$ 219,344	\$ 454,805	\$ 158,513	\$ 265,224
Accrued Liabilities	1,473,365	1,937,112	1,950,466	1,803,301	1,968,262
Notes Payable	-	-	-	-	-
Due to Other Funds	426,229	206,384	876,394	476,367	216,576
Due to Other Governments	-	-	-	-	-
Due to Retirement Systems	1,658,498	1,274,797	1,420,607	1,153,218	1,330,242
Accrued Interest Payable	51,156	86,512	74,446	75,113	-
Deferred Revenues	-	-	-	311,301	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u><u>\$ 3,945,683</u></u>	<u><u>\$ 3,724,149</u></u>	<u><u>\$ 4,776,718</u></u>	<u><u>\$ 3,977,813</u></u>	<u><u>\$ 3,780,304</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 128,124
Restricted	863,574	1,593,475	1,393,374	2,211,461	7,072,704
Committed	-	104,151	19,933	637	18,276
Assigned	2,309,492	2,200,000	1,836,159	4,456,425	5,028,953
Unassigned	1,820,020	1,808,001	1,800,000	1,888,000	1,975,520
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u><u>\$ 4,993,086</u></u>	<u><u>\$ 5,705,627</u></u>	<u><u>\$ 5,049,466</u></u>	<u><u>\$ 8,556,523</u></u>	<u><u>\$ 14,223,577</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 8,938,769</u></u>	<u><u>\$ 9,429,776</u></u>	<u><u>\$ 9,826,184</u></u>	<u><u>\$ 12,534,336</u></u>	<u><u>\$ 18,003,881</u></u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Real Property Taxes	\$ 7,386,670	\$ 7,572,102	\$ 7,867,264	\$ 8,231,930	\$ 8,585,844
Other Tax Items	2,825,757	2,741,711	2,670,311	2,509,607	2,562,200
Charges for Services	956,397	970,032	859,648	748,539	1,240,132
Use of Money & Property	252,131	269,939	228,980	233,535	185,159
Sale of Property and					
Compensation for Loss	17,239	3,950	-	-	-
Miscellaneous	693,867	624,646	1,264,997	1,094,958	2,425,189
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	27,738,991	27,893,053	28,651,067	29,404,112	29,289,236
Revenues from Federal Sources	45,266	-	102,092	2,437	676,597
Total Revenues	<u>\$ 39,916,318</u>	<u>\$ 40,075,433</u>	<u>\$ 41,644,359</u>	<u>\$ 42,225,118</u>	<u>\$ 44,964,357</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>122,225</u>	<u>350,000</u>	<u>324,000</u>
Total Revenues and Other Sources	<u>\$ 39,916,318</u>	<u>\$ 40,075,433</u>	<u>\$ 41,766,584</u>	<u>\$ 42,575,118</u>	<u>\$ 45,288,357</u>
EXPENDITURES					
General Support	\$ 4,447,200	\$ 4,610,169	\$ 4,590,107	\$ 4,554,728	\$ 4,955,920
Instruction	18,612,288	19,145,103	20,559,780	19,555,866	18,971,080
Pupil Transportation	795,104	861,655	985,112	776,745	904,586
Community Services	51,336	51,021	43,952	48,133	31,195
Employee Benefits	11,012,603	10,917,676	11,183,401	8,973,722	9,620,171
Debt Service	4,392,118	2,133,309	4,955,194	5,044,104	5,046,000
Total Expenditures	<u>\$ 39,310,649</u>	<u>\$ 37,718,933</u>	<u>\$ 42,317,546</u>	<u>\$ 38,953,298</u>	<u>\$ 39,528,952</u>
Other Uses:					
Interfund Transfers	<u>115,629</u>	<u>1,643,959</u>	<u>105,199</u>	<u>114,763</u>	<u>92,351</u>
Total Expenditures and Other Uses	<u>\$ 39,426,278</u>	<u>\$ 39,362,892</u>	<u>\$ 42,422,745</u>	<u>\$ 39,068,061</u>	<u>\$ 39,621,303</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ 490,040</u>	<u>\$ 712,541</u>	<u>\$ (656,161)</u>	<u>\$ 3,507,057</u>	<u>\$ 5,667,054</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,503,046	4,993,086	5,705,627	5,049,466	8,556,523
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,993,086</u>	<u>\$ 5,705,627</u>	<u>\$ 5,049,466</u>	<u>\$ 8,556,523</u>	<u>\$ 14,223,577</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:

	2021			2022
	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Audited Actual</u>	<u>Adopted Budget</u>
<u>REVENUES</u>				
Real Property Taxes	\$ 8,168,537	\$ 8,168,537	\$ 8,585,844	\$ 8,168,537
Other Tax Items	2,936,822	2,936,822	2,562,200	2,941,823
Charges for Services	978,000	838,000	1,240,132	1,323,000
Use of Money & Property	280,000	230,000	185,159	260,000
Sale of Property and Compensation for Loss	-	-	-	-
Miscellaneous	625,000	425,000	2,425,189	554,146
Interfund Revenues	-	-	-	-
Revenues from State Sources	30,226,755	28,709,809	29,289,236	31,244,458
Revenues from Federal Sources	100,000	50,000	676,597	175,000
Total Revenues	<u>\$ 43,315,114</u>	<u>\$ 41,358,168</u>	<u>\$ 44,964,357</u>	<u>\$ 44,666,964</u>
Other Sources:				
Appropriated Reserves	\$ 1,384,771	\$ 5,841,832	\$ -	\$ 921,036
Appropriated Fund Balance	2,500,115	-	-	3,800,000
Prior Year Encumbrances	636	637	-	-
Interfund Transfers	-	-	324,000	-
Total Revenues and Other Sources	<u>\$ 47,200,636</u>	<u>\$ 47,200,637</u>	<u>\$ 45,288,357</u>	<u>\$ 49,388,000</u>
<u>EXPENDITURES</u>				
General Support	\$ 5,570,500	\$ 5,603,397	\$ 4,955,920	\$ 5,829,700
Instruction	22,405,136	22,372,240	18,971,080	23,392,900
Pupil Transportation	1,985,500	1,985,500	904,586	2,300,500
Community Services	77,000	77,000	31,195	-
Employee Benefits	11,968,000	11,968,000	9,620,171	12,545,725
Debt Service	5,046,000	5,046,000	5,046,000	5,129,175
Total Expenditures	<u>\$ 47,052,136</u>	<u>\$ 47,052,137</u>	<u>\$ 39,528,952</u>	<u>\$ 49,198,000</u>
Other Uses:				
Interfund Transfers	148,500	148,500	92,351	190,000
Total Expenditures and Other Uses	<u>\$ 47,200,636</u>	<u>\$ 47,200,637</u>	<u>\$ 39,621,303</u>	<u>\$ 49,388,000</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,667,054</u>	<u>\$ -</u>
<u>FUND BALANCE</u>				
Fund Balance - Beginning of Year	-	-	8,556,523	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,223,577</u>	<u>\$ -</u>

Source: Audited financial reports and budgets of the School District. This Appendix is not itself audited.

APPENDIX - B
Enlarged Ogdensburg City School District

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	\$ 3,665,000	\$ 1,363,175	\$ 5,028,175
2023	3,740,000	1,226,013	4,966,013
2024	3,580,000	1,089,313	4,669,313
2025	3,425,000	959,363	4,384,363
2026	3,540,000	838,613	4,378,613
2027	3,670,000	713,169	4,383,169
2028	3,720,000	582,406	4,302,406
2029	3,635,000	448,463	4,083,463
2030	3,010,000	315,463	3,325,463
2031	1,630,000	199,563	1,829,563
2032	1,495,000	150,663	1,645,663
2033	1,335,000	105,500	1,440,500
2034	775,000	38,750	813,750
TOTALS	\$ 37,220,000	\$ 8,030,450	\$ 45,250,450

APPENDIX - B1
Enlarged Ogdensburg City School District

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2006			2016		
	Capital Improvements			DASNY Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 30,000	\$ 1,313	\$ 31,313	\$ 520,000	\$ 62,950	\$ 582,950
2023	-	-	-	540,000	37,200	577,200
2024	-	-	-	270,000	13,350	283,350
TOTALS	\$ 30,000	\$ 1,313	\$ 31,313	\$ 1,330,000	\$ 113,500	\$ 1,443,500

Fiscal Year Ending June 30th	2017			2018		
	Capital Improvements			Capital Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 355,000	\$ 69,650	\$ 424,650	\$ 1,750,000	\$ 529,963	\$ 2,279,963
2023	365,000	62,550	427,550	1,810,000	477,463	2,287,463
2024	380,000	55,250	435,250	1,875,000	423,163	2,298,163
2025	390,000	47,650	437,650	1,940,000	366,913	2,306,913
2026	395,000	39,850	434,850	2,010,000	308,713	2,318,713
2027	405,000	31,456	436,456	2,080,000	248,413	2,328,413
2028	345,000	22,344	367,344	2,150,000	186,013	2,336,013
2029	350,000	14,150	364,150	2,000,000	121,513	2,121,513
2030	180,000	5,400	185,400	1,550,000	61,513	1,611,513
2031				240,000	15,013	255,013
2032				250,000	7,813	257,813
TOTALS	\$ 3,165,000	\$ 348,300	\$ 3,513,300	\$ 17,655,000	\$ 2,746,488	\$ 20,401,488

Fiscal Year Ending June 30th	2019A DASNY		
	Capital Improvements		
	Principal	Interest	Total
2022	\$ 1,010,000	\$ 699,300	\$ 1,709,300
2023	1,025,000	648,800	1,673,800
2024	1,055,000	597,550	1,652,550
2025	1,095,000	544,800	1,639,800
2026	1,135,000	490,050	1,625,050
2027	1,185,000	433,300	1,618,300
2028	1,225,000	374,050	1,599,050
2029	1,285,000	312,800	1,597,800
2030	1,280,000	248,550	1,528,550
2031	1,390,000	184,550	1,574,550
2032	1,245,000	142,850	1,387,850
2033	1,335,000	105,500	1,440,500
2034	775,000	38,750	813,750
TOTALS	\$ 15,040,000	\$ 4,820,850	\$ 19,860,850

COMPUTATION OF TAXABLE FULL VALUATIONS

Using Regular Equalization Rates

Fiscal Year Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Assessed Valuation</u>						
City of: Ogdensburg	\$ 278,222,529	\$ 282,893,692	\$ 287,236,332	\$ 292,132,624	\$ 293,159,716	\$ 293,729,703
Towns of: Oswegatchie	89,722,340	90,347,018	90,616,713	97,852,280	98,503,703	98,854,418
Lisbon	<u>208,199</u>	<u>208,166</u>	<u>208,099</u>	<u>207,994</u>	<u>208,520</u>	<u>208,371</u>
Total Assessed Valuation	\$ 368,153,068	\$ 373,448,876	\$ 378,061,144	\$ 390,192,898	\$ 391,871,939	\$ 392,792,492

State Equalization Rates

City of: Ogdensburg	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of: Oswegatchie	100.00%	100.00%	99.00%	100.00%	100.00%	100.00%
Lisbon	84.00%	84.00%	83.00%	82.00%	77.00%	75.00%

Full Valuation

City of: Ogdensburg	\$ 278,222,529	\$ 282,893,692	\$ 287,236,332	\$ 292,132,624	\$ 293,159,716	\$ 293,729,703
Towns of: Oswegatchie	89,722,340	90,347,018	91,532,033	97,852,280	98,503,703	98,854,418
Lisbon	<u>247,856</u>	<u>247,817</u>	<u>250,722</u>	<u>253,651</u>	<u>270,805</u>	<u>277,828</u>
Total Full Valuation	\$ 368,192,725	\$ 373,488,527	\$ 379,019,087	\$ 390,238,555	\$ 391,934,224	\$ 392,861,949

Using Special Equalization Ratios

Fiscal Year Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Assessed Valuation</u>						
City of: Ogdensburg	\$ 278,222,529	\$ 282,893,692	\$ 287,236,332	\$ 292,132,624	\$ 293,159,716	\$ 293,729,703
Towns of: Oswegatchie	89,722,340	90,347,018	90,616,713	97,852,280	98,503,703	98,854,418
Lisbon	<u>208,199</u>	<u>208,166</u>	<u>208,099</u>	<u>207,994</u>	<u>208,520</u>	<u>208,371</u>
Total Assessed Valuation	\$ 368,153,068	\$ 373,448,876	\$ 378,061,144	\$ 390,192,898	\$ 391,871,939	\$ 392,792,492

Special Equalization Ratios

City of: Ogdensburg	98.98%	98.75%	99.88%	100.84%	101.24%	N/A
Towns of: Oswegatchie	97.06%	90.24%	91.63%	98.76%	97.32%	N/A
Lisbon	82.74%	81.34%	76.24%	76.07%	75.75%	N/A

Full Valuation

City of: Ogdensburg	\$ 281,089,643	\$ 286,474,625	\$ 287,581,430	\$ 289,699,151	\$ 289,569,060	\$ -
Towns of: Oswegatchie	92,440,078	100,118,593	98,894,154	99,080,883	101,216,300	-
Lisbon	<u>251,630</u>	<u>255,921</u>	<u>272,953</u>	<u>273,424</u>	<u>275,274</u>	-
Total Full Valuation	\$ 373,781,352	\$ 386,849,138	\$ 386,748,536	# \$ 389,053,459	\$ 391,060,633	\$ -

Note: Special Equalization Ratios for the 2021 Assessment Roll (2021-22 School District Tax Roll) are not available until June 30, 2022.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements 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”), the School District has agreed to provide, or cause to be provided,

- (i) 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, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated January 19, 2022 of the School District relating to the Bonds under the headings “THE SCHOOL DISTRICT”, “TAX INFORMATION”, “STATUS OF INDEBTEDNESS”, “LITIGATION” and all Appendices (other than “APPENDIX – D & E” and any related to bond insurance) by December 31 following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2022, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2022; such audit, if any, will be so provided on or prior to the later of either December 31 of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the School District of its audited financial statement for the preceding fiscal year, but, in any event, not later than June 30 of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by December 31 following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the School District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (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 Bonds, 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 securities, or other material events affecting the tax status of the securities;
 - (g) modifications to rights of Bondholders, if material;
 - (h) bond calls, if material, and tender offers;
 - (i) defeasances;
 - (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
 - (k) rating changes;
 - (l) bankruptcy, insolvency, receivership or similar event of the School District;

- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, 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; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect bondholders, 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 School District, 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 Bonds.

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

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

- (iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The School District reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific performance of the School District's obligations under its continuing disclosure undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The School District 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 School District, provided that, the School District agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

FORM OF OPINION OF BOND COUNSEL

February 1, 2022

Enlarged Ogdensburg City School District
Washington Educational Center
1100 State Street
Ogdensburg, New York 13669

Re: Enlarged Ogdensburg City School District
\$1,250,000 School District (Serial) Bonds, 2022

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance \$1,250,000 School District (Serial) Bonds, 2022 (the "Bonds") of the Enlarged Ogdensburg City School District, St. Lawrence County, New York (the "District"). The Bonds are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law, Local Finance Law, a bond resolution adopted by the Board of Education of the District on March 1, 2021, and a Certificate of Determination of the President of the Board of Education dated on or before February 1, 2022 relative to the form and terms of the Bonds.

In our opinion, the Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Bonds and interest thereon, without limitation of rate or amount. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Bonds is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Bonds, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Bonds 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 and Use of Proceeds 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 Bonds to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Bonds and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice

of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Bonds as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Bonds, 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Continuing Disclosure Statement.

The District's independent auditor 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. The District's independent auditor also has not performed any procedures relating to this Continuing Disclosure Statement.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Enlarged Ogdensburg City School District
Ogdensburg, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Enlarged Ogdensburg City School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Enlarged Ogdensburg City School District, as of June 30, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the supplemental schedules on pages 61 through 65, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

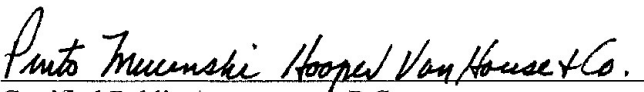
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Enlarged Ogdensburg City School District's basic financial statements. The supplemental schedules on pages 66 through 70 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 75 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental schedules on pages 66 through 70 and the schedule of expenditures of federal awards on page 75 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 66 through 70, and the schedule of expenditures of federal awards on page 75 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of the Enlarged Ogdensburg City School District'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 Enlarged Ogdensburg City School District'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 Enlarged Ogdensburg City School District's internal control over financial reporting and compliance.


Certified Public Accountants, P.C.

November 15, 2021

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED JUNE 30, 2021

The following narrative provides an overview and analysis of the financial activities of the Enlarged Ogdensburg City School District (OCSD) for the fiscal year ended June 30, 2021, and is provided by management to the readers of the District's financial statements. The following is a summary of the entity's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. A comparative analysis of government-wide data between June 30, 2021 and June 30, 2020 is presented. Management encourages readers to consider the information presented here in conjunction with the information provided in the financial statements prepared by the independent auditors.

The District is formed, pursuant to New York State Education Law, and offers a public education to its enrollees based on a New York State Regents Track and/or Local Track Program established using Minimum State Standards. Grade levels offered are UPK through 12, and the curriculum taught is designed to lead to a High School Diploma upon successful completion.

This District is located in northern New York State along the St. Lawrence River. The District encompasses approximately twelve square miles of land area and has a current estimated population of 13,700. This District includes the City of Ogdensburg and parts of the Towns of Lisbon and Oswegatchie. Major highways in and around the District include Routes #37 and #12, which connect the District with U. S. Interstate 81, a major New York State Expressway.

The Board of Education is the policy-making body of the District and consists of nine members with overlapping five-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District. The Board members select the President and the Vice President. The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

The Ogdensburg City School District accommodates both regular and special education students. There are two elementary buildings and one building housing grades 7-12. The District's staff is committed to assisting each one of its students in their quest to achieve their individual potential to attain and master their academic standards, while making every effort to provide the best education at an affordable price.

The mission of the Ogdensburg City School District is:

- To encourage and guide all students to reach their intellectual, social, emotional, creative and physical potential.
- To provide opportunities for applying learned knowledge.
- To provide an education that will allow the students to acquire the skills, knowledge and positive attitudes needed for employment and effective citizenship.
- To encourage students to pursue individual interests.
- To provide a safe, nurturing, interactive environment.
- To exercise fiduciary responsibility.
- To directly serve the community.

One of the unique aspects of this District's operation is the high degree of student, parent, community, and staff representation in planning and decision-making. This involvement assures that the educational programs are developed to meet the specific needs of the students while maintaining a cost structure consistent with taxpayer wishes.

FINANCIAL HIGHLIGHTS

- The District's net position increased \$ 13,004,078 which represents a 17.04% increase from June 30, 2021.
- General Fund revenues accounted for \$ 45,906,424 in revenue, or \$ 3,681,306 more than fiscal year 2019-2020 revenues. Program specific revenues in the form of grants and contributions accounted for \$ 4,498,477 or about \$ 1,068,585 more than fiscal year 2019-2020 revenues.
- Enrollment decreased by 63 pupils from the 2019-2020 school year compared to the 2020-2021 school year. The District has experienced UPK-12 enrollments of 1,639 and 1,576 respectively, for 2019-2020 and 2020-2021.
- The District had \$ 40,471,019 expenses related to General Fund activities, of which \$ 11,148,044 of these expenses were offset by real property tax items. General Fund revenues of \$ 34,758,380 provided for the remaining costs of these programs.
- The District's long-term liabilities increased overall by \$ 27,501,122 primarily due to the increase in the Other Post Employment Benefit liability of \$ 31,724,447. The District's serial bond debt decreased by \$ 3,550,000 during the fiscal year.
- The General Fund Balance is \$ 14,223,577 as of June 30, 2021 compared to \$ 8,556,523 at June 30, 2020. The fund balances are shown as four categories on page 17. The Assigned Fund Balance of \$ 5,028,953 is the amount assigned for next year's budget. Committed Fund Balance for encumbrances carried forward is \$ 18,276. The Unassigned Fund Balance is \$ 1,975,520. This represents 4% of next year's budget. School districts are allowed a 4% Unassigned Fund Balance in accordance with education law.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for the current year regardless of when cash is received or paid. Therefore, some items will have affect on cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by component district revenues (governmental activities). The governmental activities of the District include regular and special instruction, support services, operation and maintenance of plant, technology acquisitions, and operation of non-instructional services. To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the component district's property tax base, New York State's financial ability to increase state aid to schools and the condition of school buildings and other facilities.

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 fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are accounting devices the District also uses to keep track of specific sources of funding and spending on particular programs (i.e. The District establishes specific funds to control and to manage money for particular purposes such as repaying its long-term debts or to show that it is properly using certain revenues like Federal grants). All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- ***Governmental Funds:*** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- ***Fiduciary Funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The District's liabilities and deferred inflows exceeded the assets and deferred outflows by \$ 63,305,389 as of June 30, 2021.

By far the largest portion of the District's net position reflects its investment in capital assets (i.e., land and site improvements, buildings and fixtures, vehicles, furniture and equipment; less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District'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.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net position for the fiscal years ending June 30, 2021 and June 30, 2020, respectively.

Schedule 1: Condensed Statement of Net Position

	June 30, 2021	(Restated) June 30, 2020	Increase/ (Decrease)	Percentage Change
Current and Other Assets	\$ 20,962,397	\$ 16,503,166	\$ 4,459,231	27.02%
Capital Assets, Net	76,096,195	78,540,580	(2,444,385)	-3.11%
Total Assets	97,058,592	95,043,746	2,014,846	2.12%
Deferred Outflows of Resources	37,480,328	13,296,830	24,183,498	181.87%
Total Assets and Deferred Outflows of Resources	<u>\$ 134,538,920</u>	<u>\$ 108,340,576</u>	<u>\$ 26,198,344</u>	24.18%
Current Liabilities	\$ 3,834,084	\$ 5,284,726	\$ (1,450,642)	-27.45%
Long-Term Liabilities	147,850,372	120,349,250	27,501,122	22.85%
Total Liabilities	151,684,456	125,633,976	26,050,480	20.74%
Deferred Inflows of Resources	46,159,853	59,794,005	(13,634,152)	-22.80%
Total Liabilities and Deferred Inflows of Resources	<u>197,844,309</u>	<u>185,427,981</u>	<u>12,416,328</u>	6.70%
Net Position				
Net Investment in Capital Assets	36,853,447	37,770,580	(917,133)	-2.43%
Restricted	9,687,699	4,378,454	5,309,245	121.26%
Unrestricted (Deficit)	(109,846,535)	(119,236,439)	9,389,904	-7.88%
Total Net Position (Deficit)	<u>(63,305,389)</u>	<u>(77,087,405)</u>	<u>13,782,016</u>	-17.88%
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 134,538,920</u>	<u>\$ 108,340,576</u>	<u>\$ 26,198,344</u>	24.18%

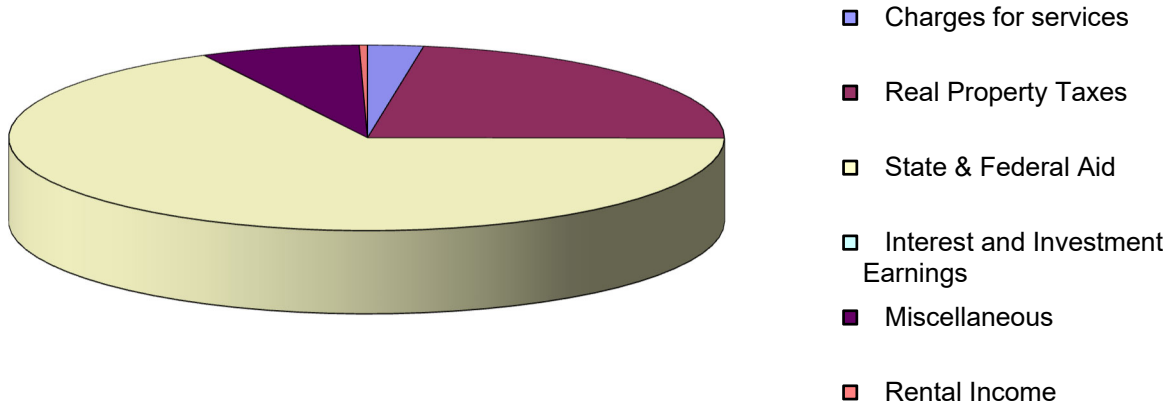
The following schedule summarizes the changes in the District's net position. The complete Statement of Activities can be found in the District's basic financial statements.

Schedule 2: Condensed Statement of Activities

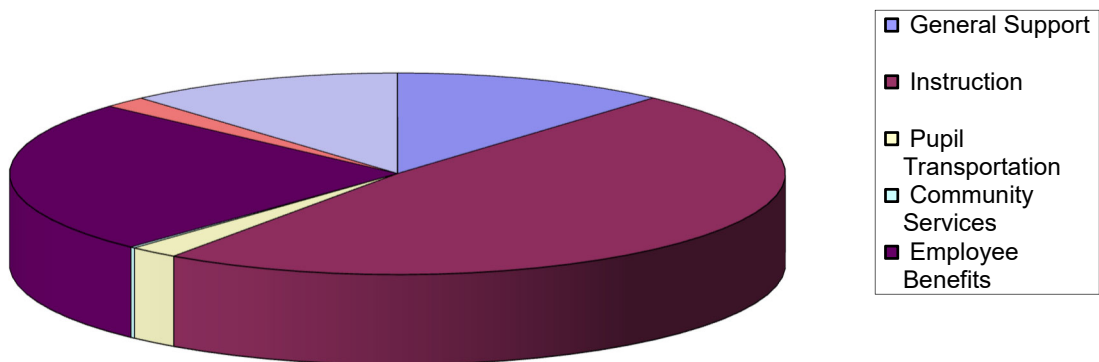
	June 30, 2021	June 30, 2020	Increase/ (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 1,067,233	\$ 976,636	\$ 90,597	9.28%
Operating Grants and Contributions	3,431,244	2,453,256	977,988	39.86%
General Revenues				
Property Taxes	11,148,044	10,741,537	406,507	3.78%
State Aid	29,654,533	30,454,630	(800,097)	-2.63%
Interest Earnings	185,728	241,110	(55,382)	-22.97%
Other	3,608,650	1,095,543	2,513,107	229.39%
Total Revenues	<u>49,095,432</u>	<u>45,962,712</u>	<u>3,132,720</u>	6.82%
Expenses				
General Support	4,811,428	5,230,281	(418,853)	-8.01%
Instruction	25,338,094	25,497,024	(158,930)	-0.62%
Pupil Transportation	904,138	783,725	120,413	15.36%
Community Services	89,633	62,005	27,628	44.56%
Debt Service - Interest	1,496,000	1,411,174	84,826	6.01%
Cost of Sales - Food	740,659	526,691	213,968	40.62%
Student Activities	49,803	-	49,803	100.00%
Depreciation - Unallocated	2,835,275	2,752,531	82,744	3.01%
Total Expenses	<u>36,265,030</u>	<u>36,263,431</u>	<u>1,599</u>	0.00%
Increase/(Decrease) in Net Position	<u>\$ 12,830,402</u>	<u>\$ 9,699,281</u>	<u>\$ 3,131,121</u>	32.28%

- The cost of all governmental activities this year was \$ 43,828,690.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$ 4,498,477.
- The cost of governmental activities was financed by general revenues, which are primarily made up of \$ 33,085,777 in State and Federal Aid funding.

Revenues 06/30/2021



Expenses 06/30/2021



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the fiscal year, its governmental funds reported a combined fund balance of \$17,128,313 and increase of \$5,578,041.

The Fund Balance is broken down into four categories (page 17).

Non Spendable - \$ 59,839 (School Lunch) for Inventory
Non Spendable - \$ 128,124 (General Fund) for Prepaid Expenses

Restricted - \$ 925,168 (General Fund) for Unemployment Benefits
Restricted - \$ 1,765,595 (General Fund) for ERS & TRS Retirement Benefits
Restricted - \$ 656,825 (General Fund) for Tax Certiorari Claims
Restricted - \$ 490,577 (General Fund) for Employee Benefits
Restricted - \$ 1,843,504 (Debt Service) for Debt Service
Restricted - \$ 210,000 (General Fund) for Health Insurance
Restricted - \$ 24,539 (General Fund) for Future Energy Costs
Restricted - \$ 3,000,000 (General Fund) for Capital Projects
Restricted - \$ 179,744 (Miscellaneous Special Revenue) for Scholarships
Restricted - \$ 150,098 (Extraclassroom) for Student Activities
Restricted - \$ 411,649 (Permanent) for Scholarships

Assigned - \$ 18,276 (General Fund) for Encumbrances
Assigned - \$ 5,658 (Special Aid) for Encumbrances
Assigned - \$ 5,028,953 (General Fund) - Appropriated for next year's budget
Assigned - \$ 227,578 (School Food Service) - Appropriated for next year's budget

Unassigned - \$ (3,334) (Capital Projects) Unassigned Fund Balance
Unassigned - \$ 1,975,520 (General Fund) Unassigned Fund Balance

The General Fund is the principal operating fund of the District. The actual revenues with operating transfers in the General Fund exceeded expenditures by \$ 5,667,054 and so the General Fund's fund balance increased by \$ 5,667,054. The School Lunch Fund revenues exceeded expenditures by \$ 232,515. The Capital Project Fund expenditures exceeded revenues by \$ 81,132 in the 2020-2021 school year.

BUDGETARY HIGHLIGHTS

State Aid and Federal funds for the 2020-2021 school year increased by \$ 699,225 from the 2019-2020 school year most of which was the new federal Basic and Excess Cost State Aid.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report on page 61 and 62 as required supplementary information.

Actual Pupil Transportation costs ended the year with significant savings due to the effects of Covid-19 and the consolidation of transportation runs.

Actual employee benefits expense experienced significant savings as a result of switching health insurance carriers.

Actual Special Education expenses were lower than budget due to reduced program costs and conservative budgeting techniques.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2021, the District has invested \$ 76,096,195 in capital assets, net of accumulated depreciation, including school buildings, site improvements, fixtures, vehicles, and office / computer / shop equipment. Total depreciation expense for the year was \$ 2,835,275.

Capital Assets (net of depreciation)

	Beginning	Ending	Increase/ (Decrease)	Percentage Change
Land	\$ 2,563,800	\$ 2,563,800	\$ -	0.00%
Buildings	74,715,668	72,160,788	(2,554,880)	-3.54%
Land/Site Improvement	79,472	45,600	(33,872)	-74.28%
Furniture, Equipment and Vehicles	1,181,640	1,326,007	144,367	10.89%
	<u>\$ 78,540,580</u>	<u>\$ 76,096,195</u>	<u>\$ (2,444,385)</u>	-3.21%

Debt Administration: At year-end, the District had \$ 37,220,000 in Serial Bonds outstanding, of which \$ 3,665,000 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2021.

Outstanding Long-Term Debt

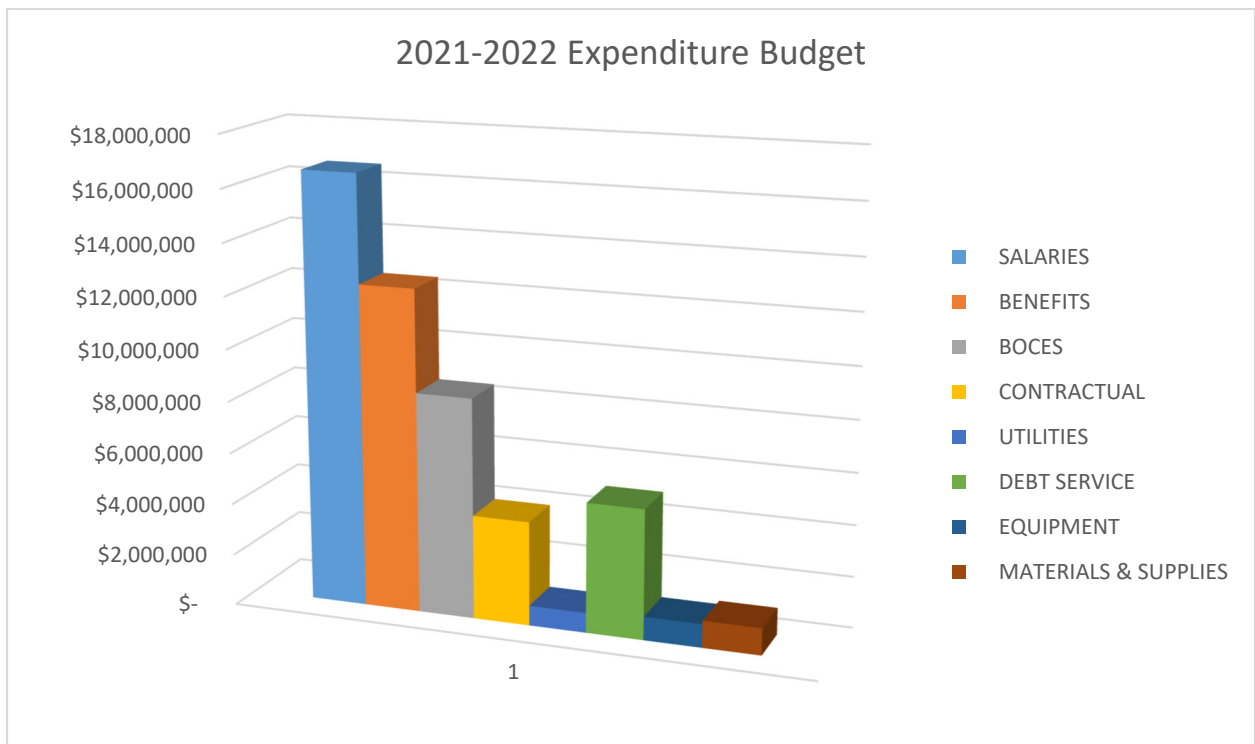
	Beginning	Ending	Increase/ (Decrease)	Percentage Change
Serial Bonds	\$ 40,770,000	\$ 37,220,000	\$ (3,550,000)	-9.54%
Premium on Bond	2,336,197	2,022,748	(313,449)	-15.50%
Compensated Absences	104,789	118,834	14,045	11.82%
Due to ERS	71,046	54,233	(16,813)	-31.00%
Net Pension Liability	2,385,201	2,028,093	(357,108)	-17.61%
OPEB	74,682,017	106,406,464	31,724,447	29.81%
	<u>\$120,349,250</u>	<u>\$147,850,372</u>	<u>\$ 27,501,122</u>	18.60%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's student enrollment and program offerings due to rising costs in salaries, fringe benefits and debt service. State aid is not projected to increase in 2021-22, although the school district budget is no longer negatively impacted by the existence of the Gap Elimination Adjustment it may see a new form of reduction due to Covid-19.

OGDENSBURG CITY SCHOOL DISTRICT 2021-2022 Expenditure Budget

	Amount	Percentage Change
Salaries	\$ 16,590,550	33.60%
Benefits	12,461,725	25.20%
BOCES	8,529,900	17.30%
Contractual	4,034,700	8.20%
Utilities	778,000	1.60%
Debt Service	5,028,175	10.20%
Equipment	915,000	1.90%
Materials & Supplies	1,049,950	2.00%
	<u>\$ 49,388,000</u>	100.00%



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact Kaleb Bertrand, Business Manager, Ogdensburg City School District, 1100 State Street, Ogdensburg, New York 13669.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>6/30/2021</u>
ASSETS	
Cash	
Unrestricted	\$ 5,911,812
Restricted	9,468,571
Receivables	
Accounts Receivable	1,702,916
Taxes Receivable	561,158
State and Federal Aid	3,060,132
Investments/Securities	69,845
Inventories	59,839
Prepaid Expenses	128,124
Capital Assets	
Not Being Depreciated	2,563,800
Being Depreciated, Net of Accumulated Depreciation	<u>73,532,395</u>
Total Assets	<u>97,058,592</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other Postemployment Benefits	28,474,112
Pensions	<u>9,006,216</u>
Total Deferred Outflows of Resources	<u>37,480,328</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 134,538,920</u>
LIABILITIES	
Payables	
Accounts Payable	\$ 301,746
Accrued Liabilities	2,202,096
Due to Teachers' Retirement System	1,248,261
Due to Employees' Retirement System	81,981
Long-Term Liabilities	
Due and Payable Within One Year	
Serial Bonds	3,665,000
Premium on Bond	293,415
Due to Employees' Retirement System	54,233
Due and Payable After One Year	
Serial Bonds	33,555,000
Premium on Bond	1,729,333
Compensated Absences Payable	118,834
Other Postemployment Benefits Obligation	106,406,464
Net Pension Liability - Proportionate Share	<u>2,028,093</u>
Total Liabilities	<u>151,684,456</u>
DEFERRED INFLOWS OF RESOURCES	
Other Postemployment Benefits	42,494,696
Pensions	<u>3,665,157</u>
Total Deferred Inflows of Resources	<u>46,159,853</u>
NET POSITION	
Investment in Capital Assets - Net of Related Debt	36,853,447
Restricted	9,687,699
Unrestricted (Deficit)	<u>(109,846,535)</u>
Total Net Position	<u>(63,305,389)</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 134,538,920</u>

See Notes to Financial Statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Operating</u>	<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Grants</u>	<u>Revenue</u>
		<u>Services</u>		<u>and Changes</u>
				<u>in Net Position</u>
FUNCTIONS/PROGRAMS				
General Support	\$ 4,646,683	\$ -	440,000	\$ (4,206,683)
Instruction	24,430,169	996,509	1,794,728	(21,638,932)
Pupil Transportation	901,597	-	-	(901,597)
Community Service	86,532	8,450	55,863	(22,219)
Debt Service - Interest	1,496,000	-	-	(1,496,000)
School Food Service Program	703,227	62,274	1,095,248	454,295
Student Activities	49,803	-	45,405	(4,398)
Depreciation - Unallocated	<u>2,835,275</u>	<u>-</u>	<u>-</u>	<u>(2,835,275)</u>
Total Functions and Programs	<u>\$ 35,149,286</u>	<u>\$ 1,067,233</u>	<u>\$ 3,431,244</u>	<u>(30,650,809)</u>
GENERAL REVENUES				
Real Property Taxes				8,585,844
Other Tax Items				2,562,200
Use of Money and Property				185,728
State Sources				28,977,936
Federal Sources				676,597
Miscellaneous				<u>2,666,582</u>
Total General Revenues				<u>43,654,887</u>
Change in Net Position				<u>13,004,078</u>
Total Net Position - Beginning of Year, as previously reported				(77,087,405)
Restatement (Note 18)				<u>777,938</u>
Total Net Position - Beginning of Year, as Restated				<u>(76,309,467)</u>
Total Net Position - End of Year				<u>\$ (63,305,389)</u>

See Notes to Financial Statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Special Aid	School Food Service	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	\$ 5,893,419	\$ 294	\$ 3,214	\$ 14,885	\$ -	\$ 5,911,812
Restricted	7,072,704	-	-	-	2,395,867	9,468,571
Receivables						
Accounts Receivable	1,701,955	-	961	-	-	1,702,916
Taxes Receivable	561,158	-	-	-	-	561,158
State and Federal Aid	1,151,778	1,264,073	204,281	440,000	-	3,060,132
Due from Other Funds	1,494,743	-	64,473	-	156,090	1,715,306
Investments/Securities	-	-	-	-	69,845	69,845
Inventories	-	-	59,839	-	-	59,839
Prepaid Expenses	128,124	-	-	-	-	128,124
Total Assets	<u>\$ 18,003,881</u>	<u>\$ 1,264,367</u>	<u>\$ 332,768</u>	<u>\$ 454,885</u>	<u>\$ 2,621,802</u>	<u>\$ 22,677,703</u>
LIABILITIES						
Payables						
Accounts Payable	\$ 265,224	\$ 29,569	\$ 493	\$ -	\$ 6,460	\$ 301,746
Accrued Liabilities	1,968,262	154,541	44,858	34,435	-	2,202,096
Due to Other Funds	216,576	1,074,599	-	423,784	347	1,715,306
Due to Teachers' Retirement System	1,248,261	-	-	-	-	1,248,261
Due to Employees' Retirement System	81,981	-	-	-	-	81,981
Total Liabilities	<u>3,780,304</u>	<u>1,258,709</u>	<u>45,351</u>	<u>458,219</u>	<u>6,807</u>	<u>5,549,390</u>
FUND BALANCES						
Nonspendable	128,124	-	59,839	-	-	187,963
Restricted	7,072,704	-	-	-	2,614,995	9,687,699
Committed	18,276	5,658	-	-	-	23,934
Assigned	5,028,953	-	227,578	-	-	5,256,531
Unassigned	1,975,520	-	-	(3,334)	-	1,972,186
Total Fund Balances	<u>14,223,577</u>	<u>5,658</u>	<u>287,417</u>	<u>(3,334)</u>	<u>2,614,995</u>	<u>17,128,313</u>
Total Liabilities and Fund Balances	<u>\$ 18,003,881</u>	<u>\$ 1,264,367</u>	<u>\$ 332,768</u>	<u>\$ 454,885</u>	<u>\$ 2,621,802</u>	<u>\$ 22,677,703</u>

See Notes to Financial Statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund Balances (Deficit) - Total Governmental Funds		\$ 17,128,313
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.		76,096,195
In the Statement of Activities, the gain/loss on the disposal of assets is reported as an increase/decrease in the financial resources. Thus the change in net position differs from the change in fund balance		-
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds		
Bonds Payable		(37,220,000)
Amortized Bond Premium		(2,022,748)
Compensated Absences		(118,834)
Due to Employee Retirement System		(54,233)
Pension obligation activity:		
TRS Net pension liability - Proportionate share	(2,019,735)	
ERS Net pension liability - Proportionate share	(8,358)	
Deferred outflows of resources	9,006,216	
Deferred inflows of resources	(3,665,157)	
		3,312,966
Other postemployment benefit activity:		
Total other post employment benefit liability	(106,406,464)	
Deferred outflows of resources	28,474,112	
Deferred inflows of resources	(42,494,696)	
		(120,427,048)
Net Position of Governmental Activities		<u>\$ (63,305,389)</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	General	Special Aid	School Food Service	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Property Taxes	\$ 8,585,844	\$ -	\$ -	\$ -	\$ -	\$ 8,585,844
Other Tax Items	2,562,200	-	-	-	-	2,562,200
Charges for Services	1,240,132	-	-	-	-	1,240,132
Use of Money and Property	185,159	-	1	-	568	185,728
Miscellaneous	2,425,189	-	4,838	-	101,267	2,531,294
Investment Earnings	-	-	-	-	1,382	1,382
State Sources	29,289,236	535,636	36,755	440,000	-	30,301,627
Federal Sources	676,597	1,259,093	1,058,493	-	-	2,994,183
Sales - School Lunch	-	-	62,274	-	-	62,274
Total Revenues	44,964,357	1,794,729	1,162,361	440,000	103,217	48,464,664
EXPENDITURES						
General Support	4,955,920	-	-	69,377	-	5,025,297
Instruction	18,971,080	1,745,037	-	451,755	-	21,167,872
Pupil Transportation	904,586	-	-	-	-	904,586
Community Services	31,195	-	-	-	59,350	90,545
Employee Benefits	9,620,171	52,503	179,289	-	-	9,851,963
Debt Service						
Principal	3,550,000	-	-	-	-	3,550,000
Interest	1,496,000	-	-	-	-	1,496,000
Cost of Sales	-	-	380,411	-	-	380,411
Other Expenditures	-	-	370,146	-	49,803	419,949
Capital Outlay	-	-	-	-	-	-
Total Expenditures	39,528,952	1,797,540	929,846	521,132	109,153	42,886,623
Excess (Deficiency) of Revenues over Expenditures	5,435,405	(2,811)	232,515	(81,132)	(5,936)	5,578,041
OTHER FINANCING SOURCES AND (USES)						
Operating Transfers (In)	324,000	7,719	-	84,632	-	416,351
Operating Transfers (Out)	(92,351)	-	-	-	(324,000)	(416,351)
Total Other Financing Sources and Uses	231,649	7,719	-	84,632	(324,000)	-
Net Change in Fund Balances	5,667,054	4,908	232,515	3,500	(329,936)	5,578,041
Fund Balance - Beginning of Year, as previously reported	8,556,523	750	54,902	(6,834)	2,166,993	10,772,334
Restatement (Note 18)	-	-	-	-	777,938	777,938
Fund Balances - Beginning of Year, as restated	8,556,523	750	54,902	(6,834)	2,944,931	11,550,272
Fund Balances - End of Year	\$ 14,223,577	\$ 5,658	\$ 287,417	\$ (3,334)	\$ 2,614,995	\$ 17,128,313

See Notes to Financial Statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2021**

Amounts reported for Governmental Activities in the Statement of Net Position are different because

Net Change in Fund Balances - Total Governmental Fund: \$ 5,578,041

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities assets with an initial, individual cost of more than \$ 5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period, net of related losses on disposal of capital assets

Additions to Assets	\$ 434,860	
Gain /(Loss) on Disposal	(43,970)	
Depreciation Expense	<u>(2,835,275)</u>	(2,444,385)

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.

3,550,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because bond premiums are amortized on the Statement of Activities while the governmental fund reports only the interest paid.

313,449

(Increases) decreases in accrued Compensated Absences and Due to ERS 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

Compensated Absences	(14,045)	
Due to ERS	<u>16,813</u>	2,768

On the Statement of Activities, the actual and projected long term income (expense) for post employer benefits are reported whereas on the Governmental Funds only the actual expenditures are recorded for post employment benefits.

6,085,925

Certain revenues are deferred in Governmental Funds due to applying the "availability criterion" to receivables for the modified accrual basis of accounting. However, these deferred inflows of resources are considered revenue in the Statement of Activities and, therefore, are not reported in the Statement of Net Position.

(311,300)

(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

Teachers' Retirement System	(494,688)	
Employees' Retirement System	<u>724,268</u>	229,580

Change in Net Position of Governmental Activities \$ 13,004,078

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The financial statements of the Enlarged Ogdensburg City School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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. Significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity

The Enlarged Ogdensburg City School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and 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.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in an agency fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

B) Joint Venture

The District is a component district in the St. Lawrence-Lewis Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$ 7,333,316 for BOCES administrative and program costs.

The District's share of current fiscal year BOCES aid amounted to \$ 2,991,188 and there was a refund of prior year expenses of \$ 453,653.

Financial statements for the BOCES are available from the BOCES administrative office.

C) Basis of Presentation

District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District'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, State aid and Federal aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

C) Basis of Presentation (Continued)

District-Wide Statements (Continued)

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District'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.

Fund Statements

The fund statements provide information about the District's funds, including each type of fiduciary fund. 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 District reports the following major governmental funds:

General Fund: This is the District'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, child nutrition or 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.

Special revenue funds include the following:

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state and local grants.

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

Extraclassroom Activity Funds: Used to account for funds of the students of the District, which are restricted for use by the various student organizations where the District has administrative involvement over the funds.

Miscellaneous Special Revenue Fund: Used to account for processed received from various individuals and organizations that are restricted for specific scholarship and awards programs not under specific trust arrangements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

C) Basis of Presentation (Continued)

Special revenue funds include the following (Continued):

Permanent Fund: Used to account for processed received from various individuals and organizations that are restricted for specific scholarship and awards programs not under specific trust arrangements.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following fiduciary funds:

Custodial Fund: These funds account for assets held by the District in a purely custodial capacity on a temporary basis. No custodial assets were held as of the year ended June 30, 2021.

D) Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-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 District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, 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 state aid is recognized in the fiscal year it is apportioned by the State. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

D) Measurement Focus and Basis of Accounting (Continued)

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 District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days (60 days for property taxes) after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pensions, and other post-employment benefits 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.

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes were collected during the period September 3 to January 3.

The City and County in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, a deferred inflow of resources offset real property taxes receivable.

F) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District'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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

G) Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

I) Cash and Cash Equivalents/Investments

The District'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 District'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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

I) Cash and Cash Equivalents/Investments (Continued)

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

Investments are stated at fair value.

J) Accounts Receivable

Receivables are shown net of an allowance for uncollectible amounts, when applicable. An allowance for uncollectible accounts represents the portion of accounts receivable that is not expected to be collected within 365 days.

K) Inventories and Prepaid Items

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

L) Other Assets and Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

M) Capital Assets

Capital assets are reported at actual cost or estimated historical costs if actual historical cost is not available. Donated assets are reported at estimated fair market value at the time received. Land and construction in process are not depreciated.

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 district-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 5,000	Straight Line (SL)	40 yr.
Building Improvements	\$ 5,000	SL	15 - 40 yr.
Site Improvements	\$ 5,000	SL	15 - 30 yr.
Furniture and Equipment	\$ 5,000	SL	5 - 15 yr.

N) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. If applicable, the District has four items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the district-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue - property taxes.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

N) Deferred Outflows and Inflows of Resources (Continued)

The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O) Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

Plan Description and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. 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 Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

The district participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Contributions	TRS	ERS
2020-2021	\$ 1,190,872	\$ 309,509
2019-2020	\$ 1,099,177	\$ 335,865
2018-2019	\$ 1,359,950	\$ 337,092

The District contributions made to the Systems were equal to 100% of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	March 31, 2021	June 30, 2020
Net Pension Asset/(Liability)	\$ (8,358)	\$ (2,019,735)
District's Portion of the Plan's		
Total Net Pension Asset/(Liability)	0.0083937%	0.073092%

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

For the year ended June 30, 2021, the District recognized its proportionate share of pension expense (credit) of \$ 162,910 for ERS and \$ 2,788,070 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		Deferred Inflows	
	ERS	TRS	ERS	TRS
Difference Between Expected and Actual Experience	\$ 102,073	\$ 1,769,692	\$ -	\$ 103,508
Changes of Assumptions	1,536,756	2,554,494	28,984	910,544
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,319,064	2,400,893	-
Changes in Proportion and Difference Between the District's Contributions and Proportionate Share of Contributions	20,559	430,725	112,186	109,042
District Contributions Subsequent to the Measurement Date	<u>81,981</u>	<u>1,190,872</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,741,369</u>	<u>\$ 7,264,847</u>	<u>\$2,542,063</u>	<u>\$ 1,123,094</u>

The District reported contributions subsequent to the measurement date of \$ 81,891 to ERS and \$ 1,359,950 to TRS, which will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	ERS	TRS
2021	\$ -	\$ 855,594
2022	(169,179)	1,657,075
2023	(72,090)	1,366,829
2024	(157,920)	883,676
2025	(483,486)	62,383
Thereafter	<u>-</u>	<u>125,324</u>
	<u>\$ (882,675)</u>	<u>\$ 4,950,881</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement Date	3/31/2021	6/30/2020
Actuarial Valuation Date	4/01/2020	6/30/2019
Interest Rate	5.9%	7.1%
Salary Scale	4.4%	1.90 – 4.72%
Decrement Tables	4/1/2015 to 3/31/2020	7/01/2009 to 6/30/2014
Inflation Rate	2.7%	2.20%
Cost of Living Adjustments	1.40%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' MP-2020. For TRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

The long term expected 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. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Measurement Date	3/31/2021	3/31/2021
Asset Class:		
Domestic Equity	32.0%	4.05%
International Equity	15.0%	6.30%
Private Equity	10.0%	6.75%
Real Estate Equity	9.0%	4.95%
Opportunistic/ARS Portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real Assets	3.0%	5.95%
Fixed Income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100.00%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.0%.

<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Measurement Date	6/30/2020	6/30/2020
Asset Class:		
Domestic Equity	33.0%	7.10%
International Equity	16.0%	7.70%
Global Equity	4.0%	7.40%
Real Estate Equity	11.0%	6.80%
Private Equity	8.0%	10.40%
Domestic Fixed Income	16.0%	1.80%
Global Bonds	2.0%	1.00%
High-Yield Bonds	1.0%	3.90%
Private Debt	1.0%	5.20%
Real Estate Debt	7.0%	3.60%
Cash Equivalents	1.0%	0.70%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.2%.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.90% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon 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 asset (liability).

Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset (liability) as of June 30, 2020 calculated using the discount rate of 5.90% for ERS and 7.10% for TRS, as well as what the District'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 (4.90% for ERS and 6.10% for TRS) or 1 percentage point higher (6.90% for ERS and 8.10% for TRS) than the current rate :

	1% Decrease (6.10)%	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
District's Proportionate Share of the Net Pension Asset (Liability)	\$ <u>(12,757,968)</u>	\$ <u>(2,019,735)</u>	\$ <u>6,992,364</u>
	1% Decrease (4.90)%	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's Proportionate Share of the Net Pension Asset (Liability)	\$ <u>(2,319,841)</u>	\$ <u>(8,358)</u>	\$ <u>2,123,371</u>

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

O) Pension Obligations (Continued)

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense/(income) for the year ended June 30, 2021 is \$ 724,268 for ERS and \$ (494,688) for TRS.

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS covered wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$ 1,248,261.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$ 81,981.

P) Unearned credits

The District reports unearned credits on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned credits is removed and revenue is recorded.

Q) Vested Employee Benefits

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Q) Vested Employee Benefits (Continued)

District 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.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

R) Other Benefits

District employees participate in the New York State Teachers' Retirement System and the New York State Employees' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

S) Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

S) Short-Term Debt (Continued)

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. There was no short-term debt as of June 30, 2020.

T) Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner, from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

U) Equity Classifications

District-wide Statements

In the district-wide statements there are three classes of net position:

Net Investment in Capital Assets: Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

U) Equity Classifications (Continued)

District-wide Statements (Continued)

Restricted Net Position: Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Funds Statements

In the fund basis statements there are five classifications of fund balance:

Nonspendable: Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaid expenditures and inventory recorded in the General Fund and School Food Service Fund of \$ 187,963 as of June 30, 2021.

Restricted: Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has established the following restricted fund balances:

Unemployment Insurance Payment Reserve Fund

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

U) Equity Classifications (Continued)

Funds Statements (Continued)

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries paid during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Tax Certiorari Reserve Fund

According to Education Law §3651.1-a, funds must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

Debt Service Reserve Fund

According to General Municipal Law §6-l, the mandatory reserve for debt service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

U) Equity Classifications (Continued)

Funds Statements (Continued)

Capital Reserve Fund

According to Education Law §3651, expenditures made from the capital reserve fund must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term, and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

The District has the following restricted fund balances available but are not currently being used:

Repair Reserve Fund

According to GML §6-d, expenditures made from the repairs reserve fund must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Workers' Compensation Reserve Fund

According to General Municipal Law §6-j, all expenditures made from the worker's compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

Liability Claims and Property Loss Reserve Fund

According to Education Law Section §1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or \$ 15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population greater than 125,000. This reserve is accounted for in the General Fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

U) Equity Classifications (Continued)

Insurance Reserve Fund

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$ 33,000 or 5% of the budget. Settled or compromised claims up to \$ 25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

Uncollected Taxes in a City School District Reserve Fund

According to Education Law, §3651 [1-b], expenditures made from the uncollected taxes reserve fund must be used to cover uncollected real property taxes for a given tax fiscal year in city school districts provided the city or county is not required to pay to the treasurer of a city school district the amount of unpaid taxes during the fiscal year for which they are levied, the Board of Education may establish a reserve for uncollected taxes without voter approval, provided that the ratio of the amount of such reserve to the total principal amount of the district's tax levy for the fiscal year is not less than the ratio of the principal amount of the District's taxes as levied for the last completed fiscal year but not received by the District before the end of that fiscal year, to the total principal amount of the tax levy for the last completed fiscal year. Source of funds generally is through budgetary appropriations. If the city or county is not required to pay to the treasurer of a city school district unpaid taxes pursuant to §1332 of the Real Property Tax Law, the board of education of the city school district shall establish a reserve pursuant to this subdivision, provided that such reserve shall not be less than the amount of the taxes for the fiscal year for which the budget is being prepared which are estimated to be unpaid during such fiscal year under the Real Property Tax Law. This reserve is accounted for in the General Fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

U) Equity Classifications (Continued)

Restricted fund balance as of June 30, 2021 includes the following:

General Fund	
Unemployment Insurance	\$ 925,168
Capital Projects	3,000,000
Retirement Contribution – NYSERS	1,365,595
Retirement Contribution – NYSTRS	400,000
Tax Certiorari	656,825
Employee Benefit Accrued Liability	490,577
Restricted Fund Balance - Other	234,539
Miscellaneous Special Revenue	179,744
Extraclassroom	150,098
Permanent	441,649
Debt Service Fund	<u>1,843,504</u>
Total Restricted Funds	<u>\$ 9,687,699</u>

Committed: Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District had committed fund balance of \$ 18,276 in the General Fund and \$ 5,658 in the Special Aid Fund, as of June 30, 2021.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The District had assigned fund balance of \$ 5,028,953 in the General Fund as of June 30, 2021.

Unassigned: Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. Unassigned fund balance will also include any negative fund balance of all funds than General Fund.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds. Excluding the reserve for tax reduction, a school district can retain no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

U) Equity Classifications (Continued)

Net Position/Fund Balance

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance: The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

V) Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

W) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standard issued by GASB.

GASB Statement No. 84, *Fiduciary Activities*, effective for the year ending June 30, 2021.

GASB Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interest*, effective for the year ending June 30, 2021.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

X) Future Changes in Accounting Standards

GASB has issued Statement No. 87, *Leases*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2021 (paragraphs 11b, 13, and 14 are effective for the year ending June 30, 2022).

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 2020).

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-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 district-wide statements, compared with the current financial resources focus of the governmental funds.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

A) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

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

Long-Term Revenue and Expenses 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.

Capital Related Differences: Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences: Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

Pension Differences: Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences: OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. See note 18 for the financial statement impact of the implementation of the statement.

NOTE 4 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2021.

Budgets are established and used for individual capital project fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 4 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.

NOTE 5 - CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS

Cash

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

A) Uncollateralized	\$ -
B) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name	\$ 15,220,661

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$ 7,072,704 restricted for various fund balance reserves in the general fund, \$ 1,694,221 for retiring outstanding obligations in the debt service fund, \$ 150,098 restricted for extra-classroom and \$ 621,393 restricted for scholarships in the permanent fund and miscellaneous special revenue fund.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Manager of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 5 - CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS (Continued)

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposits.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the District may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

NOTE 6 - INVESTMENTS

The District typically has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6 - INVESTMENTS (Continued)

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District's investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.

Common stocks and mutual funds: Valued at the net assets value (NAV) of shares held at year end. The NAV is the closing price reported on the open market on which the securities are traded.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6 - INVESTMENTS (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment Fund	Griffin Fund Trust	Scholarship Fund Trust	Scholarship Fund Trust
Carrying Amount			
Fair Value	\$ 3,418	\$ 53,436	\$ 12,991
Unrealized Investment Gain/Loss	Untracked	Untracked	Untracked
Type of Investment	Common Stocks	Cash and Mutual Funds	Common Stocks

The District does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

At year-end, the District held \$ 69,845 in investments.

NOTE 7 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities				
Capital Assets that are not Depreciated				
Land	\$ 2,563,800	\$ -	\$ -	\$ 2,563,800
Construction in Progress	-	-	-	-
Total Non-Depreciable	<u>2,563,800</u>	<u>-</u>	<u>-</u>	<u>2,563,800</u>
Capital Assets that are Depreciated				
Site Improvements	746,932	-	-	746,932
Building and Improvements	118,566,182	-	-	118,566,182
Furniture and Equipment	<u>3,465,632</u>	<u>434,860</u>	<u>(62,816)</u>	<u>3,837,676</u>
Total Depreciable Assets	<u>122,778,746</u>	<u>434,860</u>	<u>(62,816)</u>	<u>123,150,790</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7 - CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Less Accumulated Depreciation				
Site Improvements	667,460	33,872	-	701,332
Building and Improvements	43,850,514	2,554,880	-	46,405,394
Furniture and Equipment	2,283,992	246,523	(18,846)	2,511,669
Total Accumulated Depreciation	46,801,966	2,835,275	(18,846)	49,618,395
Total Depreciated Assets, Net	75,976,780	(2,400,415)	(43,970)	73,532,395
Total Assets, Net	\$ 78,540,580	\$ (1,735,962)	\$ (43,970)	\$ 76,096,195
Depreciation not charged to a specific function		\$ 2,835,275		

NOTE 8 - LONG-TERM DEBT OBLIGATION

Long-term liability balances and activity for the year are summarized below.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long-Term Liabilities					
Bonds Payable	\$ 40,770,000	\$ -	\$(3,550,000)	\$ 37,220,000	\$ 3,665,000
Premium on Bonds	2,336,197	-	(313,451)	2,022,748	-
Total Bonds	43,106,197	-	(3,863,451)	39,242,748	3,665,000
Other Long-Term Liabilities					
Compensated Absences	104,789	14,045	-	118,834	Unknown
Due to ERS	71,046	-	(16,813)	54,233	17,430
Other Postemployment Benefits Obligation	74,682,017	31,724,447	-	106,406,464	Unknown
Net Pension Liability - Proportionate Share	2,385,201	-	(357,108)	2,028,093	Unknown
Total Other Liabilities	77,243,053	31,738,492	(373,921)	108,607,624	17,430
Total Long-Term Liabilities	\$ 120,349,250	\$ 31,738,492	\$(4,237,372)	\$ 147,850,372	\$ 3,682,430

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 8 - LONG-TERM DEBT OBLIGATION (Continued)

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences. Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bonds – 2006	01/15/06	01/15/22	4.0 - 4.375%	\$ 30,000
Serial Bonds – 2016	06/01/16	06/01/24	2.0 - 5.0%	1,330,000
Serial Bonds – 2017	06/20/17	06/15/30	2.0 - 3.0%	3,165,000
Serial Bonds – 2018	06/19/18	06/15/32	3.0 - 3.125%	17,655,000
Serial Bonds – 2019	06/17/19	06/15/32	3.0 – 5.0%	15,040,000
				<u>\$ 37,220,000</u>

The following is a summary of debt service requirements:

Fiscal year ending June 30,	Serial Bonds	
	Principal	Interest
2022	\$ 3,665,000	\$ 1,363,175
2023	3,740,000	1,226,013
2024	3,580,000	1,089,313
2025	3,425,000	959,363
2026	3,540,000	838,613
2027–2031	15,665,000	2,259,063
2032–2035	3,605,000	294,913
Total	<u>\$ 37,220,000</u>	<u>\$ 8,030,453</u>

Interest paid on long-term debt for the year was \$ 1,496,000. Bond premiums netted against interest on the government-wide statements was \$ 313,449.

NOTE 9 - PENSION PLANS

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems). These are cost-sharing multiple-employer public employee retirement systems. The 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. See footnote 1 for further plan details.

NOTE 10 - UNRESTRICTED FUND BALANCE

Unrestricted fund balance in the general fund consist of the following at June 30, 2021:

Designated for Subsequent Year's Expenditures	\$ 5,028,953
Reserve for Encumbrances	18,276
Unassigned	<u>1,975,520</u>
Total General Fund Unrestricted Fund Balance	<u>\$ 7,022,749</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund transactions and balances at June 30, 2021 are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 1,494,743	\$ 216,576	\$ 324,000	\$ 92,351
Special Aid	-	1,074,599	7,719	-
School Lunch	64,473	-	-	-
Capital Projects	-	423,784	84,632	-
Debt Service	149,283	-	-	324,000
Miscellaneous Special Revenue	6,807	-	-	-
Permanent	-	347	-	-
Total Government Activities	<u>\$ 1,715,306</u>	<u>\$ 1,715,306</u>	<u>\$ 416,351</u>	<u>\$ 416,351</u>

NOTE 12 - POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE

General Information about the OPEB Plan

Plan Description – The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The Plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Benefits Provided – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	266
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>238</u>
Total	<u>504</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12 - POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE (Continued)

Total OPEB Liability

The District's total OPEB liability of \$ 106,406,464 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	3.00% average, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	6.50% for 2022, decreasing to a Rate of 4.04% for 2091

The discount rate was based on the Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2014, and projected forward with scale MP-2020.

Retirement participation rate assumed that 100% of eligible employees will elect to participate in the District's OPEB Plan and 70% of active member's spouses. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on experience under the New York State and Local Retirement system. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

Changes in the Total OPEB Liability

Balance at July 01, 2019	\$ 74,682,017
Changes for the Year:	
Service cost	2,066,867
Interest	2,647,878
Changes of benefit terms	-
Differences between expected and actual experience	166,993,479
Changes in assumptions or other inputs	12,206,688
Benefit payments	(2,190,465)
Net Changes	31,724,447
Balance at July 1, 2020	\$ 106,406,464

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% on July 1, 2019 to 2.21% on July 1, 2020.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12 - POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21)%	Discount Rate (3.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 127,442,421	\$ 106,406,464	\$ 89,934,522

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current healthcare cost trend rate:

	1% Decrease (5.5)%	Healthcare Cost Trend Rates (6.5%)	1% Increase (7.5%)
Total OPEB Liability	\$ 88,143,050	\$ 106,406,464	\$ 130,545,342

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

The District recognized an OPEB credit of \$ 6,085,925 as of June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference Between Expected and Actual Experience	\$ 13,712,885	\$ 37,806,783
Changes in Assumptions and Other Inputs	11,981,332	4,687,913
District's Contributions Subsequent to the Measurement Date	2,779,895	-
Total	\$ 28,474,112	\$ 42,494,696

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12 - POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE (Continued)

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

Fiscal Year Ending June 30,	Amount
2022	\$ (8,020,775)
2023	(5,023,582)
2024	(3,855,790)
2025	(915,014)
2026 and thereafter	<u>1,014,682</u>
	<u>\$ (16,800,479)</u>

NOTE 13 - RISK MANAGEMENT

General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Consortiums and Self Insured Plans

Prior to July 1, 2019, the District participated in an employee health insurance plan (Plan) sponsored by St. Lawrence-Lewis BOCES and its component districts. Plan members include eighteen districts with the Enlarged Ogdensburg City School District bearing a 1.53% share of the Plan's assets and claims liabilities.

On April 4, 2019, the district reached contract agreements with both unions (OSU and CSEA) including a change in health insurance providers (from St. Lawrence-Lewis Insurance Plan to an Excellus Blue Cross/Blue Shield Signature plan for actives and a Medicare supplement plan with the Hartford Plan/MVP Health Care for retirees). This change took place on June 30, 2019.

The District also participates in the St. Lawrence-Lewis BOCES program for workers' compensation. The District paid premiums totaling \$ 84,876 for the year ended June 30, 2021.

The BOCES Plans issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Contingencies Related to Grants Received

The District 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. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

Contingencies Related to Sick Leave

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports \$ 1,744,377 for accumulating, non-vesting sick leave.

Judgments

There were no judgments or notable claims against the District at June 30, 2021.

NOTE 15 - LEASE OBLIGATIONS (OPERATING LEASES)

The District leases certain copiers and office equipment under the terms of various non-cancelable leases. Rental expense for the year was \$ 148,306.

Minimum annual rentals for each of the remaining years of the leases are as follows:

For the fiscal years ending June 30:

2022	147,753
2023	109,834
2024	35,787
2025	-
Thereafter	-

NOTE 16 - DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of providing student scholarships.

Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for expenditure has not been tracked by the District.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 17 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from July 1, 2021 through November 15, 2021, the date the financial statements were available to be issued. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized in the accompanying financial statements.

NOTE 18 - RESTATEMENT OF NET POSITION

The District adopted GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The District does not have any activity resulting in the need for fiduciary fund statements. Beginning assets, liabilities and fund/net position were adjusted as noted below for the following:

	Fiduciary Activities (previously Private Purpose)		Miscellaneous Special Revenue	
	Assets	Net Position	Assets	Fund Balance
Balance at June 30, 2020, as previously reported	\$ 183,175	\$ 183,175	\$ -	\$ -
Restatement	<u>(183,175)</u>	<u>(183,175)</u>	<u>183,175</u>	<u>183,175</u>
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,175</u>	<u>\$ 183,175</u>

	Fiduciary Activities (previously Private Purpose)		Permanent	
	Assets	Net Position	Assets	Fund Balance
Balance at June 30, 2020, as previously reported	\$ 440,267	\$ 440,267	\$ -	\$ -
Restatement	<u>(440,267)</u>	<u>(440,267)</u>	<u>440,267</u>	<u>440,267</u>
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,267</u>	<u>\$ 440,267</u>

	Fiduciary Activities (previously Agency)		Extraclassroom	
	Assets	Net Position	Assets	Fund Balance
Balance at June 30, 2020, as previously reported	\$ 154,496	\$ 154,496	\$ -	\$ -
Restatement	<u>(154,496)</u>	<u>(154,496)</u>	<u>154,496</u>	<u>154,496</u>
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,496</u>	<u>\$ 154,496</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 18 - RESTATEMENT OF NET POSITION (Continued)

	<u>Governmental Activities</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Balance</u>
Balance at June 30, 2020, as previously reported	\$ 10,772,334	\$ -	\$ 10,772,334
Restatement	<u>777,938</u>	<u>-</u>	<u>777,938</u>
Balance at July 1, 2020, as restated	<u>\$ 11,550,272</u>	<u>\$ -</u>	<u>\$ 11,550,272</u>

NOTE 19 - COVID-19

The United States continues to be in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-10). The impact of this situation on the District and its future results and financial position is not presently determinable.

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act). The CRRSA Act authorizes funding for a second Education Stabilization Fund to prepare for and respond to the coronavirus. The District is expected to receive and expend Elementary and Secondary School Emergency Relief (ESSER 2) funds as well as the American Rescue Plan (ESSER 3) funds.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real Property Taxes	\$ 8,168,537	\$ 8,168,537	\$ 8,585,844	\$ 417,307
Other Tax Items	2,936,822	2,936,822	2,562,200	(374,622)
Charges for Services	978,000	838,000	1,240,132	402,132
Use of Money and Property	280,000	230,000	185,159	(44,841)
Miscellaneous	625,000	425,000	2,425,189	2,000,189
Total Local Sources	12,988,359	12,598,359	14,998,524	2,400,165
State and Federal Sources				
State Sources	30,226,755	28,709,809	29,289,236	579,427
Federal Sources	100,000	50,000	676,597	626,597
Total State and Federal Sources	30,326,755	28,759,809	29,965,833	1,206,024
Total Revenues	43,315,114	41,358,168	44,964,357	3,606,189
OTHER FINANCING SOURCES				
Operating Transfers In	-	-	324,000	324,000
Total Revenues and Other Financing Sources	43,315,114	41,358,168	45,288,357	1,530,024
APPROPRIATED FUND BALANCE				
Prior Year's Encumbrances	-	637		
Appropriated Reserves	3,884,886	5,841,832		
Total Appropriated Fund Balance	3,884,886	5,842,469		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	\$ 47,200,000	\$ 47,200,637		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

	Adopted Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual and Encumbrances
EXPENDITURES					
General Support					
Board of Education	\$ 28,250	\$ 28,250	\$ 10,266	\$ 570	\$ 17,414
Central Administration	256,000	254,875	253,121	-	1,754
Finance	597,700	597,870	546,255	-	51,615
Staff	175,000	175,000	128,621	2,300	44,079
Central Services	3,114,550	3,147,447	2,635,058	9,055	503,334
Special Items	1,399,000	1,399,955	1,382,599	-	17,356
Total General Support	5,570,500	5,603,397	4,955,920	11,925	635,552
Instruction					
Instruction, Administration, and Improvement	1,409,800	1,394,800	1,069,836	-	324,964
Teaching - Regular School	8,734,500	8,723,137	7,900,717	4,490	817,930
Programs for Children with Disabilities	7,858,500	7,839,603	6,192,084	700	1,646,819
Occupational Education	1,495,000	1,507,000	1,505,748	-	1,252
Teaching - Special School	184,000	184,000	35,914	-	148,086
Instructional Media	1,134,200	1,134,200	966,927	257	167,016
Pupil Services	1,588,500	1,589,500	1,299,854	904	288,742
Total Instruction	22,404,500	22,372,240	18,971,080	6,351	3,394,809
Other Expenditures					
Pupil Transportation	1,985,500	1,985,500	904,586	-	1,080,914
Community Service	77,000	77,000	31,195	-	45,805
Employee Benefits	11,968,000	11,968,000	9,620,171	-	2,347,829
Debt Service	5,046,000	5,046,000	5,046,000	-	-
Total Other Expenditures	19,076,500	19,076,500	15,601,952	-	3,474,548
Total Expenditures	47,051,500	47,052,137	39,528,952	18,276	7,504,909
OTHER FINANCING USES					
Operating Transfers Out	148,500	148,500	92,351	-	56,149
Total Expenditures and Other Financing Uses	\$ 47,200,000	\$ 47,200,637	39,621,303	\$ 18,276	\$ 7,561,058
Net Change in Fund Balance			5,667,054		
Fund Balance - Beginning of Year			8,556,523		
Fund Balance - Ending of Year			\$ 14,223,577		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability				
Service Cost	\$ 2,066,867	\$ 3,363,482	\$ 3,448,742	\$ 4,515,764
Interest	2,647,878	4,535,564	5,067,878	4,451,008
Changes in benefit terms	-	-	(17,070,729)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	16,993,479	(45,673,963)	(15,987,184)	-
Changes of assumptions or other inputs	12,206,688	121,207	4,218,476	(20,058,125)
Benefit Payments	<u>(2,190,465)</u>	<u>(2,997,631)</u>	<u>(3,338,974)</u>	<u>(3,146,909)</u>
Net change in total OPEB liability	31,724,447	(40,651,341)	(23,661,791)	(14,238,262)
Total OPEB liability - Beginning	<u>74,682,017</u>	<u>115,333,358</u>	<u>138,995,149</u>	<u>153,233,411</u>
Total OPEB liability - Ending	<u>\$ 106,406,464</u>	<u>\$ 74,682,017</u>	<u>\$ 115,333,358</u>	<u>\$ 138,995,149</u>
 Covered payroll	 <u>\$ 14,120,271</u>	 <u>\$ 15,002,562</u>	 <u>\$ 15,002,562</u>	 <u>\$ 13,872,404</u>
Total OPEB liability as a percentage of covered payroll	<u>754%</u>	<u>498%</u>	<u>769%</u>	<u>1002%</u>

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

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS -
NYSLRS PENSION PLANS
FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)							
Contractually Required Contribution	\$ 1,190,872	\$ 1,099,177	\$ 1,359,950	\$ 1,212,178	\$ 1,514,604	\$ 1,624,860	\$ 2,104,267
Contributions in Relation to the Contractually Required Contribution	<u>1,190,872</u>	<u>1,099,177</u>	<u>1,359,950</u>	<u>1,212,178</u>	<u>1,514,604</u>	<u>1,624,860</u>	<u>2,104,267</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	12,496,031	12,406,059	12,805,555	12,369,163	12,923,242	12,253,846	11,487,292
Contribution as a Percentage of Covered-Employee Payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	18.32%

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

	2021	2020	2019	2018	2017	2016	2015
Employees' Retirement System (ERS)							
Contractually Required Contribution	\$ 309,512	\$ 335,865	\$ 337,092	\$ 332,462	\$ 374,153	\$ 377,027	\$ 408,686
Contributions in Relation to the Contractually Required Contribution	<u>309,512</u>	<u>335,865</u>	<u>337,092</u>	<u>332,462</u>	<u>374,153</u>	<u>377,027</u>	<u>408,686</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	2,264,673	2,494,736	2,439,931	2,201,916	2,305,152	2,270,601	1,700,061
Contribution as a Percentage of Covered Employee Payroll	13.67%	13.46%	13.82%	15.10%	16.23%	16.60%	24.04%

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

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET) - NYSLRS PENSION PLANS
FOR THE YEAR ENDED JUNE 30, 2021**

Teachers' Retirement System (TRS)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Date	06/30/2020	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015	06/30/2014
District's Proportion of the Net Pension Liability (Asset)	0.073092%	0.076718%	0.075936%	0.081565%	0.079411%	0.079939%	0.080780%
District's Proportionate Share of the Net Pension Liability (Asset)	2,019,735	(1,993,150)	(1,373,128)	(619,974)	850,520	(8,303,121)	(8,998,394)
District's Covered-Employee Payroll	12,496,031	12,406,059	12,805,555	12,369,163	12,923,242	12,253,846	11,487,292
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	16.16%	(16.07%)	(10.72%)	(5.01%)	6.58%	(67.76%)	(78.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	114.48%

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

Employees' Retirement System (ERS)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Date	03/31/2021	03/31/2020	03/31/2019	03/31/2018	03/31/2017	03/31/2016	03/31/2015
District's Proportion of the Net Pension Liability (Asset)	0.0083937%	0.0090074%	0.0091991%	0.0082565%	0.0085583%	0.0090772%	0.0089765%
District's Proportionate Share of the Net Pension Liability (Asset)	8,358	2,385,201	651,786	266,474	804,159	1,456,922	303,248
District's Covered-Employee Payroll	2,264,673	2,494,736	2,528,741	2,201,916	2,305,152	2,270,601	1,700,061
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.37%	95.61%	25.78%	12.10%	34.89%	64.16%	17.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.50%

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

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**COMBINING BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Debt Service	Miscellaneous Special Revenue	Extraclassroom Activities	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Restricted Cash	\$ 1,694,221	\$ 175,961	\$ 150,098	\$ 375,587	\$ 2,395,867
Due from Permanent Fund	-	347	-	-	347
Due from Other Funds	149,283	6,460	-	-	155,743
Investments/Securities	-	3,436	-	66,409	69,845
TOTAL ASSETS	<u>\$ 1,843,504</u>	<u>\$ 186,204</u>	<u>\$ 150,098</u>	<u>\$ 441,996</u>	<u>\$ 2,621,802</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 6,460	\$ -	\$ -	\$ 6,460
Due to Miscellaneous Special Revenue	-	-	-	347	347
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 6,460</u>	<u>\$ -</u>	<u>\$ 347</u>	<u>\$ 6,807</u>
FUND BALANCE					
Total Restricted Fund Balance	<u>\$ 1,843,504</u>	<u>\$ 179,744</u>	<u>\$ 150,098</u>	<u>\$ 441,649</u>	<u>\$ 2,614,995</u>
Total Liabilities and Fund Balances	<u>\$ 1,843,504</u>	<u>\$ 186,204</u>	<u>\$ 150,098</u>	<u>\$ 441,996</u>	<u>\$ 2,621,802</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Debt Service	Miscellaneous Special Revenue	Extraclassroom Activities	Permanent	Total Nonmajor Governmental Funds
REVENUE					
Use of Money and Property	\$ 511	\$ 57	\$ -	\$ -	\$ 568
Miscellaneous Revenues	-	55,862	45,405	-	101,267
Investment Earnings	-	-	-	1,382	1,382
Total Revenue	<u>511</u>	<u>55,919</u>	<u>45,405</u>	<u>1,382</u>	<u>103,217</u>
EXPENDITURES					
Community Services	-	59,350	-	-	59,350
Other Expenditures - Extraclassroom	-	-	49,803	-	49,803
Total Expenditures	<u>-</u>	<u>59,350</u>	<u>49,803</u>	<u>-</u>	<u>109,153</u>
Excess (Deficiency) of Revenues over Expenditures	<u>511</u>	<u>(3,431)</u>	<u>(4,398)</u>	<u>1,382</u>	<u>(5,936)</u>
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers (In)	-	-	-	-	-
Operating Transfers (Out)	<u>(324,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,000)</u>
Total Other Financing Sources and Uses	<u>(324,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,000)</u>
Net Change in Fund Balances	(323,489)	(3,431)	(4,398)	1,382	(331,318)
Fund Balance - Beginning of Year, as previously reported	2,166,993	-	-	-	2,166,993
Restatements (Note18)	-	183,175	154,496	440,267	777,938
Fund Balance - Beginning of Year, as Restated	<u>2,166,993</u>	<u>183,175</u>	<u>154,496</u>	<u>440,267</u>	<u>2,944,931</u>
Fund Balance - End of Year	<u>\$ 1,843,504</u>	<u>\$ 179,744</u>	<u>\$ 150,098</u>	<u>\$ 441,649</u>	<u>\$ 2,614,995</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted Budget	\$ 47,200,000
Additions: Prior Year's Encumbrances	<u>637</u>
Original Budget	47,200,637
Additions: Budget Revision	<u>-</u>
FINAL BUDGET	<u><u>\$ 47,200,637</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 Voter-Approved Expenditure Budget	\$ 49,388,000
	<u>x .04</u>
Maximum Allowed (4% of 2021-22 Budget)	<u><u>\$ 1,975,520</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted Fund Balance:	
Committed Fund Balance	\$ 18,276
Assigned Fund Balance	5,028,953
Unassigned Fund Balance	<u>1,975,520</u>
Total Unrestricted Fund Balance	<u>7,022,749</u>
Less:	
Appropriated Fund Balance	5,028,953
Encumbrances (Included in Committed and Assigned Fund Balance)	<u>18,276</u>
Total Adjustments	<u>5,047,229</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,975,520</u></u>
Actual Percentage	4.00%

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF CAPITAL PROJECTS FUND -

PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2021

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Transfer to General Fund	Fund Balance June 30, 2021
			Prior Year's	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total		
Smart Schools Bond Act	\$ 440,000	\$ 440,000	\$ -	\$ 440,000	\$ 440,000	\$ -	\$ -	\$ 444,000	\$ -	\$ 444,000	\$ -	\$ -
Boiler System	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>81,132</u>	<u>81,132</u>	<u>18,868</u>	<u>-</u>	<u>-</u>	<u>84,632</u>	<u>84,632</u>	<u>84,632</u>	<u>3,334</u>
Totals	<u>\$ 540,000</u>	<u>\$ 540,000</u>	<u>\$ -</u>	<u>\$ 521,132</u>	<u>\$ 521,132</u>	<u>\$ 18,868</u>	<u>\$ -</u>	<u>\$ 444,000</u>	<u>\$ 84,632</u>	<u>\$ 528,632</u>	<u>\$ 84,632</u>	<u>\$ 3,334</u>

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

Capital Assets, Net		\$ 76,096,195
Deduct		
Premium on Bond	\$ 2,022,748	
Short-Term Portion of Serial Bonds Payable	3,665,000	
Long-Term Portion of Serial Bonds Payable	<u>33,555,000</u>	
Total Deductions		<u>(39,242,748)</u>
Investment in Capital Assets, Net of Related Debt		<u>\$ 36,853,447</u>

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.



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

Board of Education
Enlarged Ogdensburg City School District
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 Enlarged Ogdensburg City School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Enlarged Ogdensburg City District's basic financial statements, and have issued our report thereon dated November 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Enlarged Ogdensburg City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Enlarged Ogdensburg City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Enlarged Ogdensburg City School District's internal control.

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

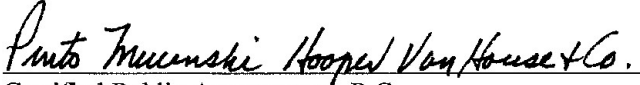
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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


Priscilla Trucinski Hooper Van House & Co.
Certified Public Accountants, P.C.

November 15, 2021



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

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

Board of Education
Enlarged Ogdensburg City School District
Ogdensburg, New York

Report on Compliance for Each Major Federal Program

We have audited the Enlarged Ogdensburg City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Enlarged Ogdensburg City School District's major federal programs for the year ended June 30, 2021. The Enlarged Ogdensburg City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Enlarged Ogdensburg City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.


Report on Internal Control Over Compliance

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

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

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

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


Pruthi Trucinski Hooper Van Housen & Co.
Certified Public Accountants, P.C.

November 15, 2021

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Agency or Pass-through Number	Expenditures
U.S. Department of Agriculture			
Passed-Through NYS Education Department			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
Commodity Supplemental Food Program	10.555	N/A	\$ 26,742
Cash Assistance			
Snack Food Program	10.559	N/A	3,493
COVID-19 Summer Food Service Program for Childrer	10.559	N/A	1,028,258
Total Child Nutrition Cluster			1,058,493
<i>Total U.S. Department of Agriculture</i>			1,058,493
U.S. Department of Education			
Passed-Through NYS Education Department			
Special Education Cluster			
Special Education Grants to States, IDEA Section 611	84.027	0032210798	487,353
Special Education Preschool Grants, IDEA Section 619	84.173	0033210798	14,627
Total Special Education Cluster			501,980
Grants to Local Educational Agencies, Title I Part A School Improvemen	84.010	0021212645	601,929
Grants to Local Educational Agencies, Title I School Improvemen	84.010	0011212152	220,137
Grants to Local Educational Agencies, Title I School Improvemen	84.010	0011202152	110,828
Supporting Effective Instruction State Grants, Title IIA - Teacher & Principa	84.367	0147212645	76,749
Student Support and Academic Enrichment Program, Title IV SSAE Allocatio	84.358	0204212645	48,193
Grants to Rural and Low Income Schools, Title V	84.358	0006212645	30,242
Elementary and Secondary School Emergency Relief Fund - CARES	84.425D	5890212645	581,355
Governor's Emergency Education Relief Fund - CARES	84.425C	5895212645	95,242
Total Passed-Through NYS Education Department			2,266,655
<i>Total, U.S. Department of Education</i>			2,266,655
Total Federal Awards Expended			\$ 3,325,148

See Notes to Schedule of Expenditures of Federal Awards.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

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

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2 - SUB-RECIPIENTS

No amounts were provided to sub-recipients.

NOTE 3 - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had food commodities totaling \$ 26,742 in inventory.

NOTE 4 - OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

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

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued - Unmodified
2. Internal control over financial reporting:
 - a. Significant deficiencies identified – No
 - b. Material weaknesses identified – No
3. Noncompliance material to the financial statements noted – No

Federal Awards:

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

<u>CFDA</u>	<u>Name of Program or Cluster</u>
10.559	Child Nutrition Cluster
84.425	CARES Act

8. Dollar threshold used for distinguishing between Type A and B programs - \$ 750,000
9. Auditee qualified as a low-risk auditee - No

FINDINGS – FINANCIAL STATEMENT AUDIT

Significant Deficiencies:

None

Material Weaknesses:

None

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

None

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no prior year audit findings.

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

There were no prior year audit findings.