

**ENLARGED OGDENSBURG CITY
SCHOOL DISTRICT**

FINANCIAL STATEMENTS

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF EDUCATION ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Enlarged Ogdensburg City School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Enlarged Ogdensburg City School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-21), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 87), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (pages 88-89), Schedule of the District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 90), and Schedule of District's Contributions – NYSLRS Pension Plan (page 91) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

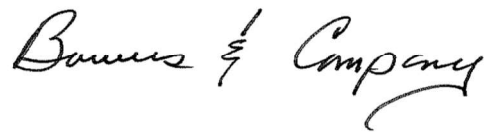
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Enlarged Ogdensburg City School District's basic financial statements. The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 92-98), 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 (pages 105-106) 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds, Net Investment in Capital Assets (pages 92-98) and the Schedule of Expenditures of Federal Awards (pages 105-106) 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 October 12, 2023 on our consideration of 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 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 Enlarged Ogdensburg City School District’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bowers & Company". The ampersand is stylized and the letters are fluidly connected.

Watertown, New York
October 12, 2023

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

INTRODUCTION

The following is a discussion and analysis of Enlarged Ogdensburg City School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. Responsibility for completeness and fairness of the information contained rests with the School District.

DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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 Enlarged 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY - Continued

The mission of the Enlarged 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.

The discussion and analysis of Enlarged Ogdensburg City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

USING THIS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Enlarged Ogdensburg City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

USING THIS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) REPORT – Continued

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. The General Fund is by far the most significant fund for the Enlarged Ogdensburg City School District.

This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section of the Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- The District's net position increased \$ 5,011,656 which represents a 59.08% increase from June 30, 2022.
- District-Wide revenues accounted for \$45,182,203 in revenue, or \$1,682,444 more than fiscal year 2021-2022 revenues. Program specific revenues in the form of grants and contributions accounted for \$6,505,685 or about \$533,016 more than fiscal year 2021-2022 revenues.
- Enrollment decreased by 31 pupils from the 2021-2022 school year compared to the 2022-2023 school year. The District has experienced UPK-12 enrollments of 1,527 and 1,496 respectively, for 2021-2022 and 2022-2023.
- District-Wide expenses of \$47,861,843 related to governmental activities were incurred, of which \$11,315,241 of these expenses were offset by real property tax items. Other general revenues, charges for services, and grants of \$41,558,258 provided for the remaining costs of these programs, ending the year with a change in net position of \$5,011,656.
- The District's long-term liabilities decreased overall by \$13,494,477 primarily due to the decrease in the Other Postemployment Benefits Payable of \$13,823,960. The District's serial bond debt decreased by \$3,985,000 during the fiscal year.
- The General Fund Balance is \$15,001,738 as of June 30, 2023 compared to \$16,992,229 at June 30, 2022. The fund balances are shown as four categories on page 19. The Assigned Fund Balance of \$3,011,774 is the amount assigned for next year's budget. The Unassigned Fund Balance is \$ 2,160,891. This represents 3.91% of next year's budget. School districts are allowed a 4% Unassigned Fund Balance in accordance with education law.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **District-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity’s overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements concentrate on the School District’s most significant funds with all other non-major funds listed in total in one column. The fund financial statements comprise the remaining statements.
 - **Governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
 - **Fiduciary fund statements** provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District’s budget and actual for the year.


ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Figure A-1 summarizes the major features of the School District’s financial statements, including the portion of the School District’s activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Table A-1	Major Features of the District-Wide and Fund Financial Statement		
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures, and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/ Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially from July 1, 2022 through June 30, 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Some examples of non-financial factors include the School District's property tax base, current property tax laws in New York State restricting revenue growth, facility condition, unfunded required educational programs required by the New York State Education Department.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of school buildings, pupil transportation and extracurricular activities. The School District does not have any business-like activities.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Special Aid Fund. All other funds are reported as non-major funds.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS - Continued

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use the assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$46,014,088 at the close of the most recent fiscal year. This represents a \$5,011,656 increase in the statement of net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2023, the OPEB liability was \$96,695,962 as compared to \$110,519,922 reported at the close of the prior fiscal year. See Note 13 for additional OPEB information.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A
WHOLE - Continued**

The following schedule summarizes the School District's Net Position. The complete Statement of Net Position can be found in the School District's basic financial statements.

Table 1: Condensed Statement of Net Position

	2022	2023	Percentage Change
Assets			
Current and Other Assets	\$ 38,453,061	\$ 22,847,742	-40.58%
Capital Assets, Net	74,960,535	75,024,820	0.09%
Total Assets	<u>\$ 113,413,596</u>	<u>\$ 97,872,562</u>	<u>-13.70%</u>
Deferred Outflows of Resources			
Other Postemployment Benefits	\$ 23,275,146	\$ 16,691,287	-28.29%
Pensions	8,874,668	9,553,273	7.65%
Total Deferred Outflows of Resources	<u>\$ 32,149,814</u>	<u>\$ 26,244,560</u>	<u>-18.37%</u>
Liabilities			
Current Liabilities	\$ 4,201,499	\$ 8,913,568	112.15%
Long-Term Liabilities	147,647,740	129,952,486	-11.98%
Total Liabilities	<u>\$ 151,849,239</u>	<u>\$ 138,866,054</u>	<u>-8.55%</u>
Deferred Inflows of Resources			
Other Postemployment Benefits	\$ 28,093,727	\$ 30,249,178	7.67%
Pensions	16,646,188	1,015,978	-93.90%
Total Deferred Inflows of Resources	<u>\$ 44,739,915</u>	<u>\$ 31,265,156</u>	<u>-30.12%</u>
Net Position (Deficit)			
Net Investment in Capital Assets	\$ 38,426,202	\$ 42,276,579	10.02%
Restricted	12,679,431	11,180,610	-11.82%
Unrestricted (Deficit)	(102,131,377)	(99,471,277)	-2.60%
Total Net Position (Deficit)	<u>\$ (51,025,744)</u>	<u>\$ (46,014,088)</u>	<u>-9.82%</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued

Unrestricted net position, the part of net position that can be used to finance day-to-day activities of the School District, decreased by \$2,660,100. This decrease in unrestricted deficit was largely due to the requirements for GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The resulting net adjustment was a decrease of \$5,084,650, due to changes in assumptions and increase in the discount rate.

Table 2: Condensed Statement of Activities

	2022	2023	Percentage Change
Revenues			
<i>General Revenues</i>			
Property and Other Tax Items	\$ 8,653,346	\$ 8,736,691	0.96%
Other Tax Items	2,371,144	2,578,550	8.75%
State Aid Formula	31,260,210	32,049,572	2.53%
Other	1,215,059	1,817,390	49.57%
<i>Program Revenues</i>			
Charges for Services	1,064,958	1,185,611	11.33%
Operating Grants	5,972,669	6,505,685	8.92%
Total Revenues	<u>50,537,386</u>	<u>52,873,499</u>	<u>4.62%</u>
Expenses			
General Support	5,183,595	6,858,364	32.31%
Instruction	25,868,441	36,497,571	41.09%
Pupil Transportation	1,522,037	1,984,843	30.41%
Community Service	85,271	65,743	-22.90%
School Food Service	1,216,562	1,427,220	17.32%
Debt Service - Interest	1,371,986	1,028,102	-25.06%
Depreciation - Unallocated *	3,043,320	-	-100.00%
Total Expenses	<u>38,291,212</u>	<u>47,861,843</u>	<u>24.99%</u>
Change in Net Position	<u>\$ 12,246,174</u>	<u>\$ 5,011,656</u>	<u>-59.08%</u>

*Depreciation and amortization of \$3,325,653 was allocated to functions and programs for the year ended June 30, 2023.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

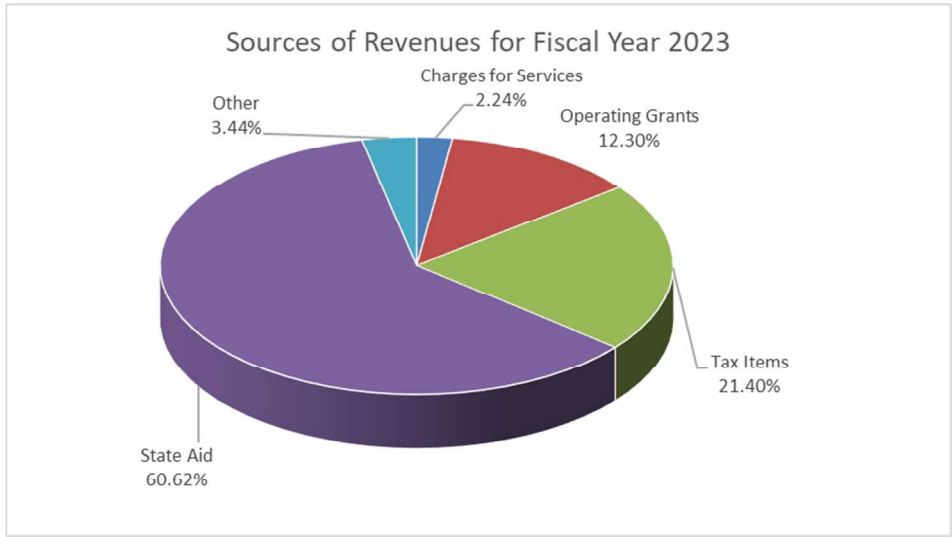
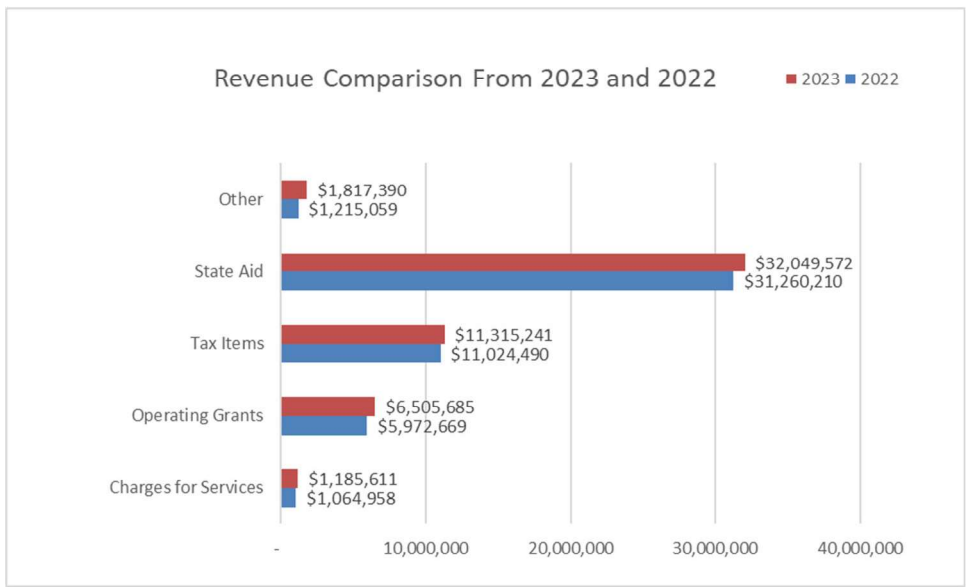
June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued

Revenues

Total revenues increased 4.62%.

State aid increased by approximately \$789K from 2021-2022 to 2022-2023.



ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued

Expenses

Total expenses increased 24.99%.

General Support

General support consists of the Board of Education, Central Administration, Finance, Human Resources, Maintenance, Utilities, Central Printing, Central Data Processing, Fire and Liability Insurance, and BOCES Administrative costs.

Instruction

Instruction includes costs associated with teachers and entire instructional staff including aides and assistants. The increase in this function in comparison to the prior year can largely be attributed to the allocation of the employee benefits, including other postemployment benefits, and depreciation and amortization.

Pupil Transportation

Pupil transportation costs increased 30.41% in 2023. The increase was related to the second year of operating and owning our own transportation department and have increased our expenses by continuing to hire additional staff to bring a full-fledged department up to speed. As well as allocation of employee benefits including other postemployment benefits and depreciation and amortization expense.

School Food Service Program

The School Food Service Program expenses increased by 17.32% from the prior year. The increase was related to an increase in contractual obligations and rising food costs.

Debt Service - Interest

Debt service interest decreased by 25.06%. See note 9 for more details.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

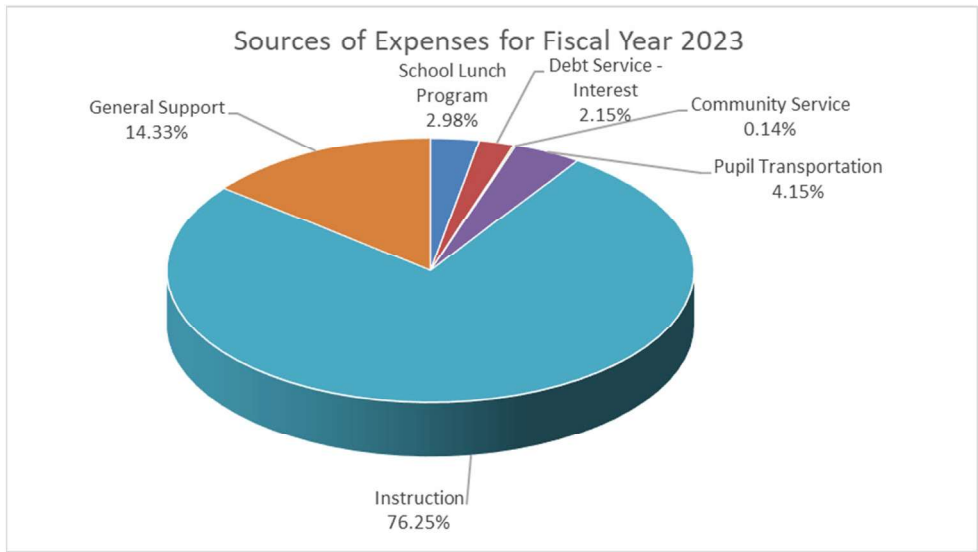
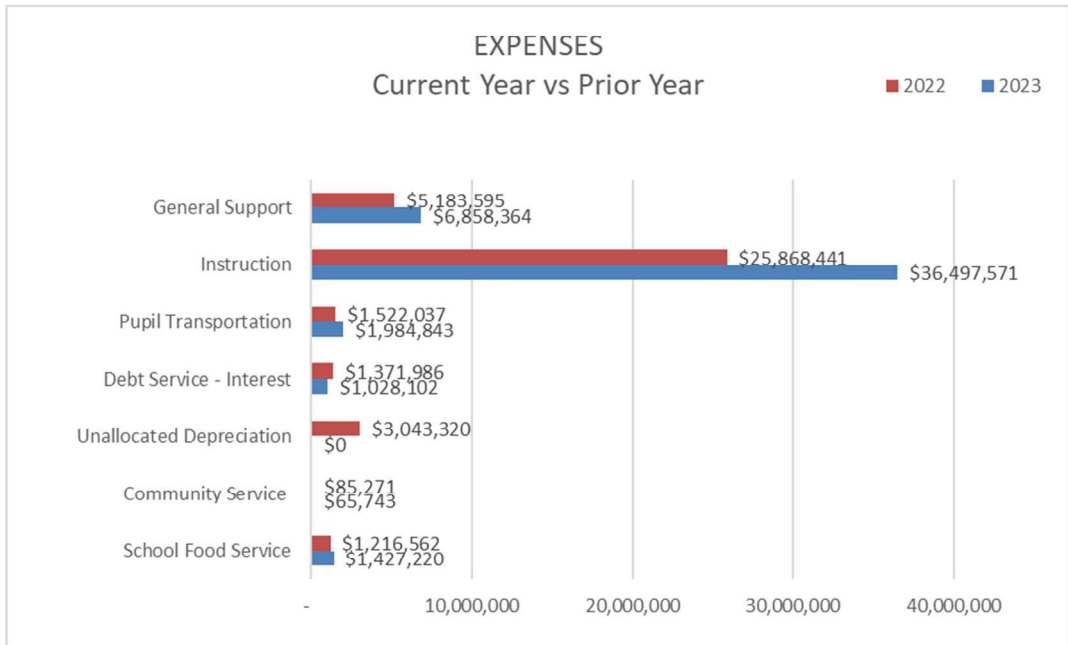
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - Continued

Expenses – Continued

The following chart shows the expenses in district-wide statements for the current year ended June 30, 2023 in comparison to the prior year:



ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

CAPITAL ASSETS & DEBT ADMINISTRATION

At the end of the fiscal year 2023, the School District had \$75,024,820 invested in land, buildings, furniture, equipment, vehicles, and right to use lease assets, net of accumulated depreciation and amortization.

Table 3: Capital Assets (Net of Accumulated Depreciation and Amortization)

This table compares fiscal 2022 balances to 2023.

	2022	2023	Total Percentage Change
Land	\$ 2,563,800	\$ 2,563,800	0.00%
Buildings and Improvements	69,605,908	67,064,781	-3.65%
Site Improvements	15,199	1,554,435	10127.22%
Furniture and Equipment	2,775,628	3,370,671	21.44%
Intangible Lease Assets - Equipment	416,897	471,133	13.01%
Total	<u>\$ 75,377,432</u>	<u>\$ 75,024,820</u>	<u>-0.47%</u>

The increase in site improvements are from the capital project underway during the current year for parking lot reconstruction, sidewalk replacement, and site drainage improvements. For more information, refer to Note 7.

Long-Term Debt

The long-term debt specific to bonds is broken down by current (within one year) and long term (after one year). The School District had the following breakdown of debt June 30, 2023 and 2022:

	2022	2023
Due and Payable in One Year, Net	\$ 4,012,226	\$ 4,075,722
Due and Payable After One Year, Net	<u>32,522,107</u>	<u>28,201,386</u>
Total Long-Term Bonds Payable, Net of Unamortized Premium	<u>\$ 36,534,333</u>	<u>\$ 32,277,108</u>

For more information refer to Note 9.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Revenues for the District's governmental funds totaled \$52,320,432. Expenditures for the year ended June 30, 2023 were \$55,440,623, resulting in a excess of expenditures over revenues of \$3,120,191 before other financing sources and uses.

Table 4: Summary of Governmental Funds Expenditures

The cost of the District's activities for 2023 and 2022 were as follows:

	2022	2023
General Support	\$ 5,405,800	\$ 6,359,731
Instruction	24,317,646	26,285,530
Pupil Transportation	2,432,860	1,419,160
Community Service	91,906	44,258
Employee Benefits	9,931,803	12,937,970
Debt Service	5,161,281	5,347,331
Capital Outlay	-	2,204,608
Other Expenditures	526,637	175,718
Cost of Sales - School Food Service	615,144	666,317
Total Expenditures	<u>\$ 48,483,077</u>	<u>\$ 55,440,623</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS - Continued

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 \$16,933,613.

The Fund Balance is broken down into four categories (see page 25).

Non Spendable - \$ 56,492 (School Food Service) for Inventory

Non Spendable - \$ 480,640 (General Fund) for Prepaid Expenditures

Restricted - \$ 947,449 (General Fund) for Unemployment Benefits

Restricted - \$ 2,015,750 (General Fund) for ERS & TRS Retirement Benefits

Restricted - \$ 971,057 (General Fund) for Tax Certiorari Claims

Restricted - \$ 708,549 (General Fund) for Employee Benefits

Restricted - \$ 970,881 (Debt Service) for Debt Service

Restricted - \$ 4,705,628 (General Fund) for Capital Projects

Restricted - \$ 232,037 (Miscellaneous Special Revenue) for Scholarships

Restricted - \$ 185,788 (Extraclassroom) for Student Activities

Restricted - \$ 443,471 (Permanent) for Scholarships

Assigned - \$ 3,011,774 (General Fund) - Appropriated for next year's budget

Assigned - \$ 306,006 (School Food Service) – Assigned Fund Balance

Unassigned - \$ (262,800) (Special Aid) Unassigned Fund Balance

Unassigned - \$ 2,160,891 (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 were less than expenditures by \$ 1,990,491. The School Food Service Fund revenues were less than expenditures by \$ 211,497. The Special Aid Fund revenues were less than expenditures by \$ 262,800.

The School District was able to keep actual expenditures incurred within the final budget amounts. The District used reserves and appropriated fund balance of \$1,990,491 as planned. Capital reserve monies of \$1,244,946 were transferred to the Capital Project Fund during the current year.

The School District continues to be in excellent financial condition with a total of \$16,933,613 in fund balance.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

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 pages 88-89 as required supplementary information.

Actual employee benefits expenses experienced an increase due to a result of rising health insurance premiums.

Actual transportation expenses were lower than prior years due to purchasing a majority of our fleet in the 2021-2022 school year.

Actual regular special education expenses were lower than budget due to reduced program costs and conservative budgeting techniques.

Table 5: Final Revenue Budget Compared to Actual Revenues

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Tax Items	\$ 11,124,360	\$ 11,315,241	\$ 190,881
Charges for Services	823,500	654,185	(169,315)
Use of Money and Property	260,000	456,703	196,703
Sale of Property and Compensation for Loss	-	21,111	21,111
Miscellaneous	1,530,898	1,072,114	(458,784)
Transfer From Other Funds	491,605	491,605	-
State Sources	31,311,761	32,049,572	737,811
Medicaid Reimbursements	125,000	18,647	(106,353)
Appropriated Reserves	3,625,000	-	(3,625,000)
	<u>\$ 49,292,124</u>	<u>\$ 46,079,178</u>	<u>\$(3,212,946)</u>

The total difference between Final Budgeted Revenues and Actual Revenues for 2022-2023 is (\$3,212,946). This difference is mainly due to the appropriated reserves. The District used \$1,479,485 of reserves during the year. Use of reserve monies does not increase revenues.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS - Continued

Table 6: Final Expenditure Budget Compared to Actual Expenditures

	<u>Final Budget</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
General Support	\$ 6,227,987	\$ 5,621,378	\$ 606,609
Instruction	23,523,407	22,029,665	1,493,742
Pupil Transportation	1,693,000	1,379,424	313,576
Community Service	51,500	44,258	7,242
Employee Benefits	13,935,725	11,682,652	2,253,073
Debt Service	5,225,480	5,347,331	(121,851)
Transfers to Other Funds	2,940,000	1,966,735	973,265
	<u>\$ 53,597,099</u>	<u>\$ 48,071,443</u>	<u>\$ 5,525,656</u>

The total difference between Final Budgeted Expenditures and Actual Expenditures and Encumbrances was \$5,525,656. This variance is due mainly to conservative budgeting techniques. The debt service budget was over budget due to audit entries to reclassify lease debt payments.

CURRENT FINANCIAL ISSUES AND CONCERNS

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's student enrollment and program offerings due to rising costs in salaries, fringe benefits and debt service.

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 School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Kaleb Bertrand, Business Manager
Enlarged Ogdensburg City School District
1100 State Street
Ogdensburg, New York 13669

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

AUDITED BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES

June 30, 2023

ASSETS

Cash and Cash Equivalents		
Unrestricted	\$	1,881,861
Restricted		11,147,605
Investments - Restricted		70,486
Receivables		
Taxes		1,384,411
State and Federal Aid		4,431,429
Due from Other Governments		3,071,923
Other		322,895
Prepaid Expenditures		480,640
Inventories		56,492
Capital Assets, Net		75,024,820
TOTAL ASSETS	\$	97,872,562

DEFERRED OUTFLOWS OF RESOURCES

Pensions	\$	9,553,273
Other Postemployment Benefits		16,691,287
Total Deferred Outflows of Resources	\$	26,244,560

LIABILITIES

Payables		
Accounts Payable	\$	341,347
Accrued Liabilities		2,411,077
Accrued Interest on Bonds Payable		51,462
Due to Teachers' Retirement System		1,726,886
Due to Employees' Retirement System		96,123
Compensated Absences Payable - Current		45,000
Unearned Credits		
Unearned Revenues - Other		40,896
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		4,075,722
Lease Liability		125,055
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premium		28,201,386
Lease Liability		346,078
Incurred But Not Reported Claims Payable		645,933
Compensated Absences Payable		409,642
Net Pension Liability - Proportionate Share		3,653,485
Other Postemployment Benefits Payable		96,695,962
TOTAL LIABILITIES	\$	138,866,054

See notes to audited basic financial statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES – CONTINUED

June 30, 2023

DEFERRED INFLOWS OF RESOURCES

Other Postemployment Benefits	\$ 30,249,178
Pensions	1,015,978
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 31,265,156

NET POSITION

Net Investment in Capital Assets	\$ 42,276,579
Restricted	
Debt Service	970,881
Other Legal Restrictions	10,209,729
Unrestricted (Deficit)	(99,471,277)
TOTAL NET POSITION	\$ (46,014,088)

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS				
General Support	\$ 6,858,364	\$ -	\$ -	\$ (6,858,364)
Instruction	36,497,571	984,185	5,492,062	(30,021,324)
Pupil Transportation	1,984,843	-	-	(1,984,843)
Community Service	65,743	-	-	(65,743)
Debt Service - Interest	1,028,102	-	-	(1,028,102)
School Food Service Program	1,427,220	201,426	1,013,623	(212,171)
Total Functions and Programs	<u>\$ 47,861,843</u>	<u>\$ 1,185,611</u>	<u>\$ 6,505,685</u>	<u>(40,170,547)</u>
GENERAL REVENUES				
Real Property Taxes				8,736,691
Other Tax Items				2,578,550
Use of Money and Property				509,728
Sale of Property and Compensation for Loss				21,111
Loss on Disposition of Leased Assets				(39,733)
State Sources				32,049,572
Medicaid Reimbursements				18,647
Miscellaneous				<u>1,307,637</u>
Total General Revenues				<u>45,182,203</u>
Change in Net Position				<u>5,011,656</u>
Net Position - Beginning of Year				<u>(51,025,744)</u>
Net Position - End of Year				<u>\$ (46,014,088)</u>

See notes to audited basic financial statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents				
Unrestricted	\$ 1,826,693	\$ 33,258	\$ 21,910	\$ 1,881,861
Restricted	9,348,433	-	1,799,172	11,147,605
Investments - Restricted	-	-	70,486	70,486
Receivables				
Taxes	1,384,411	-	-	1,384,411
State and Federal Aid	678,327	3,690,254	62,848	4,431,429
Due from Other Funds	3,335,394	-	278,183	3,613,577
Due from Other Governments	2,971,939	99,984	-	3,071,923
Other	307,132	-	15,763	322,895
Prepaid Expenditures	480,640	-	-	480,640
Inventories	-	-	56,492	56,492
TOTAL ASSETS	<u><u>\$ 20,332,969</u></u>	<u><u>\$ 3,823,496</u></u>	<u><u>\$ 2,304,854</u></u>	<u><u>\$ 26,461,319</u></u>
LIABILITIES				
Payables				
Accounts Payable	\$ 252,655	\$ 88,500	\$ 192	\$ 341,347
Accrued Liabilities	1,952,077	407,205	51,795	2,411,077
Due to Other Funds	268,490	3,327,791	17,296	3,613,577
Due to Teachers' Retirement System	1,726,886	-	-	1,726,886
Due to Employees' Retirement System	96,123	-	-	96,123
Compensated Absences Payable	45,000	-	-	45,000
Unearned Credits				
Unearned Revenues- Other	-	-	40,896	40,896
Total Liabilities	<u>4,341,231</u>	<u>3,823,496</u>	<u>110,179</u>	<u>8,274,906</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Federal Grant - EFC	-	262,800	-	262,800
Deferred Charges for Services	990,000	-	-	990,000
Total Deferred Inflow of Resources	<u>990,000</u>	<u>262,800</u>	<u>-</u>	<u>1,252,800</u>
FUND BALANCES (DEFICIT)				
Nonspendable	480,640	-	56,492	537,132
Restricted	9,348,433	-	1,832,177	11,180,610
Assigned	3,011,774	-	306,006	3,317,780
Unassigned	2,160,891	(262,800)	-	1,898,091
Total Fund Balances (Deficit)	<u>15,001,738</u>	<u>(262,800)</u>	<u>2,194,675</u>	<u>16,933,613</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u><u>\$ 20,332,969</u></u>	<u><u>\$ 3,823,496</u></u>	<u><u>\$ 2,304,854</u></u>	<u><u>\$ 26,461,319</u></u>

See notes to audited basic financial statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2023

Total Fund Balance - Governmental Funds \$ 16,933,613

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

Proportionate share of long-term liabilities associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.

Net Pension Liability - Proportionate Share - TRS	\$ 1,455,140	
Net Pension Liability - Proportionate Share - ERS	<u>2,198,345</u>	(3,653,485)

Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds statements consist of:

Other Postemployment Benefits	\$ 30,249,178	
Pensions	<u>1,015,978</u>	(31,265,156)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds statements consist of:

Other Postemployment Benefits	\$ 16,691,287	
Pensions	<u>9,553,273</u>	26,244,560

Governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report revenues when earned. Long-term revenue differences are reported as revenue in the Statement of Activities and Deferred Inflow in the governmental funds, and therefore not reported as revenue in the governmental funds. 1,252,800

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of Capital Assets	\$ 131,107,792	
Accumulated Depreciation and Amortization	<u>(56,082,972)</u>	75,024,820

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION - CONTINUED

June 30, 2023

Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities, at year end, consist of:

Bonds Payable	\$ 30,820,000	
Accrued Interest on Bonds Payable	51,462	
Lease Liability	471,133	
Incurred But Not Reported Claims Payable	645,933	
Compensated Absences Payable	409,642	
Other Postemployment Benefits Payable	96,695,962	
Premium on Bond Issue	1,457,108	(130,551,240)

Total Net Position - Governmental Activities \$ (46,014,088)

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

Year Ended June 30, 2023

	General Fund	Special Aid Fund	Non-Major Funds	Total Governmental Funds
REVENUES				
Real Property Taxes	\$ 8,736,691	\$ -	\$ -	\$ 8,736,691
Other Tax Items	2,578,550	-	-	2,578,550
Charges for Services	654,185	-	-	654,185
Sale of Property and Compensation for Loss	21,111	-	-	21,111
Use of Money and Property	456,703	-	53,025	509,728
Miscellaneous	1,072,114	-	236,735	1,308,849
State Sources	32,049,572	725,534	18,501	32,793,607
Medicaid Reimbursements	18,647	-	-	18,647
Federal Sources	-	4,503,728	915,757	5,419,485
Surplus Food	-	-	79,365	79,365
Sales - School Food Service	-	-	200,214	200,214
Total Revenues	<u>45,587,573</u>	<u>5,229,262</u>	<u>1,503,597</u>	<u>52,320,432</u>
EXPENDITURES				
General Support	5,620,606	239,876	499,249	6,359,731
Instruction	22,029,160	4,256,370	-	26,285,530
Pupil Transportation	1,378,927	40,233	-	1,419,160
Community Service	44,258	-	-	44,258
Employee Benefits	11,682,652	994,334	260,984	12,937,970
Debt Service:				
Principal	4,098,466	-	-	4,098,466
Interest	1,248,865	-	-	1,248,865
Cost of Sales - School Food Service	-	-	666,317	666,317
Other Expenditures	-	-	175,718	175,718
Capital Outlay	-	-	2,204,608	2,204,608
Total Expenditures	<u>46,102,934</u>	<u>5,530,813</u>	<u>3,806,876</u>	<u>55,440,623</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(515,361)</u>	<u>(301,551)</u>	<u>(2,303,279)</u>	<u>(3,120,191)</u>
OTHER FINANCING SOURCES AND (USES)				
Operating Transfers In	491,605	38,751	1,938,573	2,468,929
Operating Transfers (Out)	(1,966,735)	-	(502,194)	(2,468,929)
Proceeds from Debt - Leases	-	-	281,182	281,182
Total Other Financing Sources (Uses)	<u>(1,475,130)</u>	<u>38,751</u>	<u>1,717,561</u>	<u>281,182</u>
Net Change in Fund Balances	(1,990,491)	(262,800)	(585,718)	(2,839,009)
Fund Balances - Beginning of Year, As Restated (Note 3)	<u>16,992,229</u>	<u>-</u>	<u>2,780,393</u>	<u>19,772,622</u>
Fund Balances (Deficit) - End of Year	<u>\$ 15,001,738</u>	<u>\$ (262,800)</u>	<u>\$ 2,194,675</u>	<u>\$ 16,933,613</u>

See notes to audited basic financial statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (2,839,009)

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

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

Capital Outlays	\$	3,103,122	
Loss on Disposal		(39,733)	
Depreciation and Amortization Expense		<u>(3,325,653)</u>	(262,264)

Proceeds of long-term debt and lease obligations are recorded as an other financing source for governmental funds but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt and lease obligations received in the current year. (281,182)

Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period for bonds and lease liabilities. 4,098,466

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The following items resulted in a net decrease in interest expense being reported in the Statement of Activities:

Change in Accrued Interest Payable	\$	(51,462)	
Amortization of Bond Premium on Refunding		<u>272,225</u>	220,763

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES – CONTINUED**

Year Ended June 30, 2023

In the Statement of Activities, certain operating expenses--compensated absences (vacations and certain sick pay) and special termination benefits (early retirement), and incurred but not reported claims payable are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). (892,658)

Governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report revenues when earned. Long-term revenue differences is reported as revenue in the Statement of Activities and Deferred Inflow in the governmental funds, and therefore not reported as revenue in the governmental funds. 592,800

In the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits. 5,084,650

(Increases) decreases in proportionate share of net pension asset/liability, amounts due to ERS, and related deferred outflows/inflows 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	\$ (289,918)	
Employees' Retirement System	<u>(419,992)</u>	<u>(709,910)</u>

Change in Net Position of Governmental Activities \$ 5,011,656

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2023

	<u>Custodial</u>
ASSETS	
Cash and Cash Equivalents	
Restricted	\$ -
	<hr/>
Total Assets	\$ -
	<hr/> <hr/>
NET POSITION	
Restricted	\$ -
	<hr/> <hr/>

See notes to audited basic financial statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2023

	Custodial
ADDITIONS	
Taxes Collected for Other Governments (Library Levy)	<u>\$ 350,000</u>
DEDUCTIONS	
Payments of Tax to Other Governments (Library Levy)	<u>350,000</u>
Change in Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

See notes to audited basic financial statements.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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 used by the District are described below:

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 nine 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 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.

Extra Classroom Activity Funds

The Extra Classroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom 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 Extra Classroom Activity Funds can be found at the District's business office. Due to administrative involvement, the District accounts for assets in a special revenue fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Joint Venture

The District is a component district in the St. Lawrence 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 costs 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 \$8,398,801 for BOCES administrative, capital, and program costs.

The District's share of BOCES aid amounted to \$4,440,346. This represents state aid distributions of \$3,780,513 and 2022 fund balance returned to schools of \$659,833.

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

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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 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.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between direct program 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or 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 funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following 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, extra classroom activity funds which the District has administrative involvement 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for specific educational programs.

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

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

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

Capital Projects Funds: These funds are used to account for the financial resources used for the 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.

Permanent Fund: This fund accounts for proceeds received from various individuals and organizations that is permanently restricted and earnings are only available for use on specific scholarship and award programs based on the agreements.

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:

Fiduciary Funds: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements because their resources do not belong to the District and are not available to be used.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

There is one class of fiduciary funds:

Custodial Funds: These funds are limited to assets that are being held for individuals, private organizations, or other governments that are not held in a trust. Assets are held by the District as agent for property taxes collected on behalf of other governments.

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, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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 60 days 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, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 22, 2022. Taxes are collected during the period September 1, 2022 to January 6, 2023.

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, deferred inflows of resources offset real property taxes receivable.

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 the associated legal requirements, many of which are described elsewhere in these Notes.

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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses 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.

Cash and Cash Equivalents and 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.

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 reported at fair value.

Receivables

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.

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, which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories and Prepaid Items – Continued

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 purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets (inventories) have been identified as not available for other subsequent expenditures.

Other Assets

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.

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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets – Continued

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 and Improvements	\$ 5,000	SL	15-40 yrs
Furniture and Equipment	5,000	SL	5-15 yrs
Site Improvements	5,000	SL	15-30 yrs

The District does not possess any infrastructure.

Intangible Lease Assets

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of \$5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet 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. The District has three items that qualify for reporting in this category. The first 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 proportion share of total contributions to the pension systems not included in pension expense. The second item is the District's contributions to the pension systems (TRS and ERS systems) and OPEB subsequent to the measurement date. The third item related 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources - Continued

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 three items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting and is reported as deferred charges for services and grants reported in the governmental funds Balance Sheet. 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 (TRS and ERS system) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third 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.

Unearned Revenue

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

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.

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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Vested Employee Benefits - Continued

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 fund 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.

Other Benefits

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

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

In addition to providing pension benefits, the District provides postemployment 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 cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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.

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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Short-Term Debt - Continued

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. State law requires that BANs issued for capital purposes are converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

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, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund's 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.

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 and amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - 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 are deemed to be available for general use by the District.

Fund 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. Nonspendable fund balance includes prepaid expenditures recorded in the General Fund of \$480,640 and \$56,492 in inventory recorded in the School Food Service Fund as of June 30, 2023.

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:

Debt Service

According to General Municipal Law §6-1, 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 School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Scholarships and Awards Fund

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. These monies are accounted for in the Scholarships and Awards Fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Permanent Fund – Scholarships

The fund is used to account for and report resources that are legally restricted to the extent that earnings, not principal, may be used for purposes that benefit the School District and recipients of the designated scholarships. The monies are accounted for in the Permanent Fund – Scholarships.

Extra Classroom Activity Funds

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. These monies are accounted for in the Extra Classroom Activity Funds.

Employee Benefit Accrued Liability

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.

Unemployment Insurance

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 AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Tax Certiorari

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.

Capital

According to Education Law §3651, all 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. Expenditures 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.

Retirement Contributions

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 during the preceding fiscal year. The sub-fund is separately administered, but must comply with all existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Restricted fund balance includes the following at June 30, 2023:

General Fund	
Capital Reserve	\$ 4,705,628
Employee Benefit Accrued Liability	708,549
Retirement Contributions- NYSERS	1,401,262
Retirement Contributions- NYSTRS	614,488
Tax Certiorari	971,057
Unemployment Insurance	947,449
Debt Service Fund	970,881
Permanent Fund	443,471
Extra Classroom Activity Funds	185,788
Scholarships and Awards Fund	<u>232,037</u>
Total Restricted Funds	<u><u>\$ 11,180,610</u></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 no committed fund balances as of June 30, 2023.

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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

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 and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable 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.

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable 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, nonspendable 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 assigned 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Standards

The District has adopted all current Statements of Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new statements issued by GASB:

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 99, *Omnibus 2022*.

Future Changes in Accounting Standards

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025.

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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**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 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.

Total Fund Balances 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 postemployment benefits payable.

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

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

1. Long-Term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

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

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

3. Long-Term Debt Transaction Differences:

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

4. 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.

5. 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 AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 – RESTATEMENT OF FUND BALANCE

During the year-end June 30, 2023, a one-time prior period adjustment must be made to fund balance in the General Fund to correct prior year reporting. The following details the change in the District’s beginning of year fund balance in the General Fund:

Fund Balance - Beginning of Year, as Previously Stated	\$ 17,652,229
Decrease due to Revenues not Collected Within 60 Days of Year-End, Improperly Reported In Prior Year	<u>(660,000)</u>
Fund Balance - Beginning of Year, as Restated	<u>\$ 16,992,229</u>

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 fund 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 ended June 30, 2023.

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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**NOTE 4 - STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY - Continued**

Budgets – Continued

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.

Special Revenue Funds have not been included in comparison because they do not have a legally authorized (appropriated) budget.

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.

Other

The Special Aid Fund had a deficit balance of \$262,800 at June 30, 2023. The deficit will be funded when the District collects grants funds in the future period, as the revenues were not available at June 30, 2023.

The District’s General Fund debt service actual expenditures were over budget for the year by \$121,851, due to audit entries to reclassify lease debt payments.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

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

Cash and Investments

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

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

Uncollateralized	<u>\$ -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u>\$ 3,295,390</u>

Restricted cash and cash equivalents represents 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 \$9,348,433 restricted for various fund balance reserves in the General Fund, \$41,143 restricted for a voter approved capital project in the Capital Project - Other Fund, \$967,219 restricted for debt service in the Debt Service Fund, \$185,788 restricted for extra classroom activity funds in the Extra Classroom Activity Funds, \$385,829 restricted for scholarships in the Permanent Fund, and \$219,193 restricted for scholarships and awards within the Scholarships and Awards Fund within the governmental funds.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2023, all deposits were fully insured and collateralized by the District's agent, but not in the District's name.

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 Administrator of the District.

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 AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

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

Cash and Investments – Continued

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 deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity 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 organization.

Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, § 119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total amounts held represent the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NYCLASS. At June 30, 2023, the District held \$9,588,091 in the investment pool which are included in unrestricted and restricted cash and cash equivalents.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 – INVESTMENTS

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 AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

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.

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

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 \$70,486 in investments, detailed as follows:

Investment Fund	Griffin Fund Trust	Scholarship Fund Trust	Scholarship Fund Trust
Carrying Amount Fair Value	\$ 2,243	\$ 52,255	\$ 15,988
Type of Investment	Common Stocks	Cash and Mutual Funds	Common Stocks

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS

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

Governmental Activities	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	\$ 2,563,800	\$ -	\$ -	\$ 2,563,800
Total Nondepreciable Assets	<u>2,563,800</u>	<u>-</u>	<u>-</u>	<u>2,563,800</u>
Other Capital Assets:				
Buildings and Improvements	118,566,182	-	-	118,566,182
Furniture and Equipment	5,745,336	1,233,819	-	6,979,155
Site Improvements	746,932	1,588,121	-	2,335,053
Intangible Lease Assets - Equipment	673,169	281,182	(290,749)	663,602
Total Other Capital Assets	<u>125,731,619</u>	<u>3,103,122</u>	<u>(290,749)</u>	<u>128,543,992</u>
Less Accumulated Depreciation:				
Buildings and Improvements	48,960,274	2,541,127	-	51,501,401
Furniture and Equipment	2,969,708	638,776	-	3,608,484
Site Improvements	731,733	48,885	-	780,618
Less Accumulated Amortization:				
Intangible Lease Assets - Equipment	256,272	96,865	(160,668)	192,469
Total Accumulated Depreciation and Amortization	<u>52,917,987</u>	<u>3,325,653</u>	<u>(160,668)</u>	<u>56,082,972</u>
Total Other Capital Assets, Net	<u>72,813,632</u>	<u>(222,531)</u>	<u>(130,081)</u>	<u>72,461,020</u>
Capital Assets, Net	<u>\$ 75,377,432</u>	<u>\$ (222,531)</u>	<u>\$ (130,081)</u>	<u>\$ 75,024,820</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General Support	\$ 588,981
Instruction	2,455,875
Pupil Transportation	280,127
School Food Service	670
Total Depreciation and Amortization Expense	<u>\$ 3,325,653</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 - SHORT-TERM DEBT

There was no short-term debt activity during the year ended June 30, 2023.

NOTE 9 - LONG-TERM DEBT OBLIGATIONS

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.

Serial Bonds

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Lease Liabilities

The District has entered into agreements to lease information technology equipment. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 - LONG-TERM DEBT OBLIGATIONS – Continued

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and Notes Payable					
General Obligation Debt					
Serial Bonds	\$ 34,805,000	\$ -	\$ 3,985,000	\$ 30,820,000	\$ 3,825,000
Premium on Bonds	1,729,333	-	272,225	1,457,108	250,722
Total Bonds & Notes Payable	36,534,333	-	4,257,225	32,277,108	4,075,722
Other Liabilities					
Compensated Absences Payable	162,917	246,725	-	409,642	-
Incurred But Not Reported Claims Payable	-	645,933	-	645,933	-
Other Postemployment Benefits Liability	110,519,922	-	13,823,960	96,695,962	-
Net Pension Liability - Proportionate Share	-	3,653,485	-	3,653,485	-
Lease Liability	393,765	281,182	203,814	471,133	125,055
Due to ERS	36,803	-	36,803	-	-
Total Other Liabilities	111,113,407	4,827,325	14,064,577	101,876,155	125,055
Total Governmental Activities	\$ 147,647,740	\$ 4,827,325	\$ 18,321,802	\$ 134,153,263	\$ 4,200,777

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and postemployment benefits.

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Serial Bonds - Refunded	6/1/2016	6/1/2024	2.0-5.0%	\$ 270,000
Serial Bond	6/20/2017	6/15/2030	2.0-3.0%	2,445,000
Serial Bond	6/19/2018	6/15/2032	3.0-3.125%	14,095,000
Serial Bond	6/17/2019	6/15/2034	5.00%	13,005,000
Serial Bond	2/1/2022	2/1/2027	0.5-1.75%	1,005,000
				<u>\$30,820,000</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2023

NOTE 9 - LONG-TERM DEBT OBLIGATIONS – Continued

The following is a summary of debt service requirements for serial bonds payables at year-end June 30:

	Principal	Interest	Total
2024	\$ 3,825,000	\$ 1,102,555	\$ 4,927,555
2025	3,675,000	970,400	4,645,400
2026	3,795,000	846,900	4,641,900
2027	3,925,000	717,631	4,642,631
2028	3,720,000	582,406	4,302,406
2029-2033	11,105,000	1,219,650	12,324,650
2034	775,000	38,750	813,750
Total	<u>\$ 30,820,000</u>	<u>\$ 5,478,292</u>	<u>\$ 36,298,292</u>

Existing lease obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Xerox Copiers - Various	3/1/2021	3/1/2026	1.91	\$ 228,214
Xerox Copiers - Various	12/1/2022	12/1/2027	1.91	89,282
Xerox Copier - Workroom	1/1/2023	1/1/2028	1.91	30,441
Xerox Copiers - Various	7/1/2022	7/1/2027	1.91	92,046
Xerox Copier - Guidance	4/1/2023	4/1/2028	1.91	14,874
Xerox Copiers - Various	2/1/2023	2/1/2028	1.91	16,276
				<u>\$ 471,133</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 - LONG-TERM DEBT OBLIGATIONS – Continued

The following is a summary of debt service requirements for lease liabilities at year-end June 30:

	Principal	Interest	Total
2024	\$ 125,055	\$ 7,068	\$ 132,123
2025	127,463	6,167	133,630
2026	129,898	2,811	132,709
2027	69,317	878	70,195
2028	19,400	93	19,493
	<hr/>	<hr/>	<hr/>
Total	\$ 471,133	\$ 17,017	\$ 488,150
	<hr/>	<hr/>	<hr/>

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 1,248,865
Less: Interest Accrued in the Prior Year	-
Plus: Interest Accrued in the Current Year	51,462
Less: Amortization of Bond Premium	<u>(272,225)</u>
Total Interest on Long-Term Debt	<u>\$ 1,028,102</u>

NOTE 10 - PENSION PLANS

General Information

The District participates in New York State Teachers' Retirement System (NYSTRS) and the New York State Employees' Retirement System (NYSEERS). These are cost-sharing multiple employer public employee defined benefit 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

Teachers' Retirement System (TRS) Plan Description

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 State statute. Additional information regarding the System 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 Annual Comprehensive Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS) Plan Description

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. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

TRS Benefits Provided

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

TRS Benefits Provided – Continued

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tiers 1-6 are now vested after 5 years of credited service. Prior to April 9, 2022, Tier 5 and 6 members were to attain 10 years of state service credit to be vested. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age, and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2022 and 2021 is 3.0% and 1.4%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

ERS Benefits Provided

Benefits

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

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

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

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

Tier 3, 4, and 5

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

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

ERS Benefits Provided – Continued

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

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

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

Vested Benefits

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

ERS Benefits Provided – Continued

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regard less of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent 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 for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. The District chose to prepay the required contributions by December 15, 2022 and received an overall discount of \$2,052.

The District's share of the required contributions based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2022-2023	\$ 1,316,522	\$ 275,243
2021-2022	1,187,600	323,734
2020-2021	1,190,872	309,509

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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.

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (2,198,345)	\$ (1,455,140)
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0102515%	0.075832%
Change in Proportion Since the Prior Measurement Date	0.0019442%	0.002412%

For the year ended June 30, 2023, the District's recognized pension expense of \$456,795 for ERS and \$289,918 for TRS.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

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

At June 30, 2023, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 234,141	\$ 1,524,802	\$ 61,738	\$ 29,158
Changes of Assumptions	1,067,658	2,822,725	11,800	586,172
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,880,179	12,915	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	83,452	243,777	130,651	183,544
District's Contributions Subsequent to the Measurement Date	96,123	1,600,416	-	-
Total	\$ 1,481,374	\$ 8,071,899	\$ 217,104	\$ 798,874

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset (liability) in the year ended June 30, 2024, if applicable. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended as follows:

	ERS	TRS
2024	\$ 257,846	\$ 1,119,724
2025	(141,064)	617,826
2026	444,979	(232,409)
2027	606,386	3,705,160
2028	-	453,692
Thereafter	-	8,616

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - 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.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation Rate	2.9%	2.4%

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’ Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

Actuarial Assumptions – Continued

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Asset Type		
Domestic Equity	4.30%	6.50%
International Equity	6.85%	7.20%
Private Equity	7.50%	9.90%
Global Equity		6.90%
Real Estate	4.60%	6.20%
Opportunistic / Absolute Return Strategies Portfolio	5.38%	
Credit	5.43%	
Real Assets	5.84%	
Fixed Income	1.50%	
Cash		-0.30%
Private Debt		5.30%
Real Estate Debt		2.40%
Domestic Fixed Income Securities		1.10%
Global Bonds		0.60%
High-Yield Bonds		3.30%

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% 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).

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

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) calculated using the discount rate of 5.9% for ERS and 6.95% 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 (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ (5,312,456)	\$ (2,198,345)	\$ 403,858

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ (13,417,073)	\$ (1,455,140)	\$ 8,604,767

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of the employers as of the respective measurement dates, were as follows:

	(In Thousands)		Total
	ERS	TRS	
Measurement Date	March 31, 2023	June 30, 2022	
Employer's Total Pension Asset (Liability)	\$ (232,627,259)	\$ (133,883,474)	\$ (366,510,733)
Plan Net Position	211,183,223	131,964,582	343,147,805
Employer's Net Pension Asset (Liability)	\$ (21,444,036)	\$ (1,918,892)	\$ (23,362,928)
Ratio of Plan Net Position to the Employer's Total Pension Asset (Liability)	90.78%	98.57%	

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - PENSION PLANS - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$96,123. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS 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, 2023 amounted to \$1,726,886.

NOTE 11 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund balances at June 30, 2023 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 3,335,394	\$ 268,490	\$ 491,605	\$ 1,966,735
Special Aid	-	3,327,791	38,751	-
School Food Service	257,472	-	-	-
Scholarships and Awards	17,049	-	10,589	-
Permanent Fund	-	10,589	-	10,589
Debt Service	3,662	-	-	491,605
Capital Projects	-	6,707	1,927,984	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 3,613,577</u>	<u>\$ 3,613,577</u>	<u>\$ 2,468,929</u>	<u>\$ 2,468,929</u>

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The General Fund advanced funds to the Special Aid Fund to provide temporary cash until New York State has reimbursed the grant programs. The Debt Service Fund transferred funds to the General Fund to cover a portion of current year debt payments.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 12 – FUND BALANCE EQUITY

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2023:

Fund Balances	General	Special Aid Fund	Non-Major Funds	Total Governmental Funds
Non-Spendable				
Inventory	\$ -	\$ -	\$ 56,492	\$ 56,492
Prepaid Expenditures	480,640	-	-	480,640
Restricted				
Capital Reserve	4,705,628	-	-	4,705,628
Employee Benefit Accrued Liability	708,549	-	-	708,549
Retirement Contributions-NYSERS	1,401,262	-	-	1,401,262
Retirement Contributions-NYSTRS	614,488	-	-	614,488
Tax Certiorari	971,057	-	-	971,057
Unemployment Insurance	947,449	-	-	947,449
Debt Service	-	-	970,881	970,881
Permanent Fund	-	-	443,471	443,471
Extra Classroom Activity Funds	-	-	185,788	185,788
Scholarships and Awards Fund	-	-	232,037	232,037
Assigned				
General Support	772	-	-	772
Instruction	505	-	-	505
Pupil Transportation	497	-	-	497
Designated for Next Fiscal year	3,010,000	-	-	3,010,000
School Food Service Fund	-	-	306,006	306,006
Unassigned (Deficit)				
General Fund	2,160,891	-	-	2,160,891
Special Aid Fund	-	(262,800)	-	(262,800)
Total Governmental Fund Balances (Deficit)				
	<u>\$ 15,001,738</u>	<u>\$ (262,800)</u>	<u>\$ 2,194,675</u>	<u>\$ 16,933,613</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes 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 Statement 75.

Benefits Provided – The District provides healthcare 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	268
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>286</u>
Total Covered Employees	<u><u>554</u></u>

The District provides a self-insured minimum premium plan through Excellus Health Insurance Plan. The Plan allows for eligible District employees and spouses to continue health coverage upon retirement until age 65. At age 65, retirees become Medicare eligible and are covered by The Hartford and MVP.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2023, the District recognized \$3,021,140 for its share of insurance premiums for currently enrolled retirees.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

General Information about the OPEB Plan - Continued

Teachers and Administration

Employees who are members of the aforementioned employee group or have retirement eligibility requirements determined by the group must meet the minimum age of 55 and 5 (if hired on or before 6/30/2017 or 10 (if hired after 6/30/2017) years of continuous service to become eligible for postemployment health care benefits. All current and future retirees receive 100% retiree health insurance coverage for individual or family coverage.

CSEA (Hired Before 11/21/2013)

Employees who are members of the aforementioned employee group or have retirement eligibility requirements determined by the group must meet the minimum age of 55 and 10 years of continuous service to become eligible for postemployment health care benefits. All current and future retirees receive 100% retiree health insurance coverage for individual or family coverage.

CSEA (Hired On or After 11/21/2013)

Employees who are members of the aforementioned employee group or have retirement eligibility requirements determined by the group must meet the minimum age of 55 and 10 years of continuous service to become eligible for postemployment health care benefits. Retiree must pay the same premium for health insurance that is being paid on his/her last day of employment prior to retirement.

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2023 which indicates that the total liability for other postemployment benefits is \$96,695,962 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2022 and was determined by actuarial valuation as of July 1, 2022.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**NOTE 13 - POSTEMPLOYMENT (HEALTH INSURANCE)
BENEFITS - Continued**

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions

Measurement Date	7/1/2022
Rate of Compensation Increase	3.00%
Inflation Rate (CPI)	2.70%
Discount Rate	3.54%

Assumed Pre-65 Medical Trend Rates at June 30

Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.80%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.14%
Fiscal Year that the Rate reached the Ultimate Trend Rate	2093

Assumed Post-65 Medical Trend Rates at June 30

Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.80%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.14%
Fiscal Year that the Rate reached the Ultimate Trend Rate	2093

Additional Information

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (In Years)	5.58
Method Used to Determine Actuarial Value of Assets	N/A

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

Total OPEB Liability - Continued

The discount rate was based on the 20-year high-quality tax-exempt municipal bond index as of July 1, 2022.

Mortality rates were based on the sex-distinct, job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 – June 30, 2022.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 110,519,922
Changes for the Year	
Service Cost	3,180,664
Interest	2,402,299
Differences Between Expected and Actual Experience	(8,442,541)
Changes of Assumptions or Other Inputs	(8,077,216)
Benefit Payments	<u>(2,887,166)</u>
Net Changes	<u>(13,823,960)</u>
Balance at June 30, 2023	<u>\$ 96,695,962</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14 percent as of June 30, 2022 to 3.54 percent as of June 30, 2023.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

Changes in the Total OPEB Liability – 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 (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	<u>\$ 114,144,703</u>	<u>\$ 96,695,962</u>	<u>\$ 82,870,783</u>

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 (trend decreasing to 3.14 percent) or 1 percentage point higher (trend increasing to 5.14 percent) than the current healthcare cost trend rate:

	Healthcare Cost Trend Rates 1% Decrease (Trend Less 1% Decreasing to 3.14%)	Healthcare Cost Trend Rates (Trend at 4.14%)	Healthcare Cost Trend Rates 1% Increase (Trend Plus 1% Increasing to 5.14%)
Total OPEB Liability	<u>\$ 81,548,637</u>	<u>\$ 96,695,962</u>	<u>\$ 116,324,246</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

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

For the year ended June 30, 2023, the District recognized OPEB credit of (\$5,084,650). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 7,151,697	\$ 23,619,492
Changes of Assumptions or Other Inputs	6,599,161	6,629,686
Benefit Payments Subsequent to the Measurement Date	2,940,429	-
	<u>\$ 16,691,287</u>	<u>\$ 30,249,178</u>

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,

2024	\$ (6,559,392)
2025	(3,618,616)
2026	(1,688,920)
2027	(2,914,285)
2028	(1,717,107)
Thereafter	-
	<u>\$ (16,498,320)</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 - 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

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$-0-.

The District has chosen to establish a self-funded health insurance benefit program for its employees and retirees. The benefit program administrator, Excellus, is responsible for the approval, processing and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year-ending June 30. The program is accounted for in the General Fund of the District. At year-end, the District had a long-term liability of \$645,933, which represents incurred and unreported claims which were incurred on or before year-end, but which were not paid by the District as of that date.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

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.

During previous years, the District was notified of tax certiorari suits by District taxpayers for a reduction of the assessed value. The District is not yet aware of the potential outcome of the suit or the implications concerning its impact on the District.

NOTE 16 – DONOR – RESTRICTED ENDOWMENTS

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

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 16 – DONOR – RESTRICTED ENDOWMENTS - Continued

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.

NOTE 17 – TAX ABATEMENT

The District uses a property tax abatement agreement with local businesses. The local businesses entered into agreements directly with local tax jurisdictions within St. Lawrence County for tax abatement. The purpose of the Payment in Lieu of Taxes (PILOT) agreements are to provide real property tax abatement for value added by construction or renovations.

The District has nine PILOT agreements executed through the St. Lawrence County Industrial Development Agency. At the end of each PILOT agreement, the property will be placed back on the tax roll.

For the fiscal year ended June 30, 2023, the District’s portion of the PILOTs were approximately \$123,000 and the District abated the following taxes:

					(A)	(B)	(A) * (B)
							Appr.
Owner Name	Start Date	End Date	2022 % Abated	Assessed Value	Abated Total	Appr. Tax Rate	Taxes Foregone
Ruler Solar Partners, LLC	2023	2052	100%	\$ 112,400	\$ 112,400	27.056162	\$ 3,041
Royal Solar Partners, LLC	2023	2052	100%	196,100	196,100	27.056162	5,306
Oswegatchie Solar, LLC	2023	2042	100%	117,300	117,300	27.056162	3,174
Ogdensburg Housing Authority	1969	n/a	100%	77,737	77,737	27.056162	2,103
Frederick Remington Museum	n/a	n/a	100%	165,000	165,000	27.056162	4,464
IDA/A.J. Missert, Inc.	n/a	2023	50%	300,000	150,000	27.056162	4,058
IDA/Hoosier Magnetics	n/a	2024	50%	70,000	35,000	27.056162	947
Beamko, LP (Defelsko)	n/a	2025	50%	1,000,000	500,000	27.056162	13,528
Ansen	n/a	2026	50%	450,000	225,000	27.056162	6,088
Total Approximate Taxes Foregone							<u>\$ 42,709</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SIX FISCAL YEARS

Ended June 30, 2023

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service Cost	\$ 3,180,664	\$ 3,171,513	\$ 2,066,867	\$ 3,363,482	\$ 3,448,742	\$ 4,515,764
Interest	2,402,299	2,390,955	2,647,878	4,535,564	5,067,878	4,451,008
Changes in Benefit Terms	-	-	-	-	(17,070,729)	-
Difference between Expected and Actual Experience	(8,442,541)	-	16,993,479	(45,673,963)	(15,987,184)	-
Changes in Assumptions or Other Inputs	(8,077,216)	1,330,885	12,206,688	121,207	4,218,476	(20,058,125)
Benefit Payments	(2,887,166)	(2,779,895)	(2,190,465)	(2,997,631)	(3,338,974)	(3,146,909)
Net Change in Total OPEB Liability	<u>(13,823,960)</u>	<u>4,113,458</u>	<u>31,724,447</u>	<u>(40,651,341)</u>	<u>(23,661,791)</u>	<u>(14,238,262)</u>
Total OPEB Liability - Beginning	<u>110,519,922</u>	<u>106,406,464</u>	<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>\$ 96,695,962</u>	<u>\$ 110,519,922</u>	<u>\$ 106,406,464</u>	<u>\$ 74,682,017</u>	<u>\$ 115,333,358</u>	<u>\$ 138,995,149</u>
Covered Payroll	\$ 14,499,291	\$ 14,120,271	\$ 14,120,271	\$ 15,002,562	\$ 15,002,562	\$ 13,872,404
Total OPEB Liability as a Percentage of Covered Payroll	666.90%	782.70%	753.57%	497.80%	768.76%	1001.95%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each subsequent year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditor's report.

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

Year Ended June 30, 2023

	Original Budget	Final Budget
REVENUES		
Local Sources		
Real Property Taxes	\$ 8,655,000	\$ 8,655,000
Other Tax Items	2,469,360	2,469,360
Charges for Services	823,500	823,500
Use of Money and Property	260,000	260,000
Sale of Property and Compensation for Loss	-	-
Miscellaneous	1,530,898	1,530,898
Total Local Sources	<u>13,738,758</u>	<u>13,738,758</u>
State Sources	31,311,761	31,311,761
Medicaid Reimbursements	125,000	125,000
Total Revenues	<u>45,175,519</u>	<u>45,175,519</u>
OTHER FINANCING SOURCES		
Appropriated Reserves	3,625,000	3,625,000
Transfers from Other Funds	491,605	491,605
Total Revenues and Other Financing Sources	<u>49,292,124</u>	<u>49,292,124</u>
EXPENDITURES		
General Support		
Board of Education	21,050	29,650
Central Administration	276,460	285,900
Finance	596,390	596,000
Staff	182,200	175,800
Central Services	3,536,787	3,544,637
Special Items	1,577,000	1,596,000
Total General Support	<u>6,189,887</u>	<u>6,227,987</u>
Instruction		
Instruction, Administration and Improvement	1,425,800	1,463,800
Teaching-Regular School	9,563,125	9,627,980
Programs for Children with Handicapping Conditions	7,865,581	7,974,581
Teaching - Special School	134,000	89,000
Occupational Education	1,580,000	1,555,000
Instructional Media	1,215,901	1,316,901
Pupil Services	1,745,100	1,496,145
Total Instruction	<u>23,529,507</u>	<u>23,523,407</u>
Pupil Transportation	1,725,000	1,693,000
Community Service	51,500	51,500
Employee Benefits	13,935,725	13,935,725
Debt Service	5,225,480	5,225,480
Total Expenditures	<u>50,657,099</u>	<u>50,657,099</u>
OTHER FINANCING USES		
Transfers to Other Funds	2,940,000	2,940,000
Total Expenditures and Other Financing Uses	<u>53,597,099</u>	<u>53,597,099</u>
Net Change in Fund Balance	(4,304,975)	(4,304,975)
Fund Balance - Beginning of Year, As Restated	16,992,229	16,992,229
Fund Balance - End of Year	<u>\$ 12,687,254</u>	<u>\$ 12,687,254</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

Actual		Final Budget Variance With Actual	
\$	8,736,691	\$	81,691
	2,578,550		109,190
	654,185		(169,315)
	456,703		196,703
	21,111		21,111
	1,072,114		(458,784)
	<u>13,519,354</u>		<u>(219,404)</u>
	32,049,572		737,811
	18,647		(106,353)
	<u>45,587,573</u>		<u>412,054</u>
	-		(3,625,000)
	491,605		-
	<u>46,079,178</u>		<u>\$ (3,212,946)</u>
		Final Budget Variance with Actual And Encumbrances	
	Year-End Encumbrances		
	28,187	\$	-
	265,005		-
	565,552		-
	164,793		-
	3,029,852		772
	1,567,217		-
	<u>5,620,606</u>		<u>772</u>
	1,379,704		-
	9,007,049		-
	7,772,630		505
	77,033		-
	1,523,364		-
	998,062		-
	1,271,318		-
	<u>22,029,160</u>		<u>505</u>
	1,378,927		497
	44,258		-
	11,682,652		-
	5,347,331		-
	<u>46,102,934</u>		<u>1,774</u>
	1,966,735		-
	48,069,669	\$	1,774
	(1,990,491)		
	16,992,229		
	<u>\$ 15,001,738</u>		<u>\$ 973,265</u>
			<u>\$ 5,525,656</u>

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.

See paragraph on supplementary schedule included in independent auditor's report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN
LAST NINE FISCAL YEARS**

Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)									
District's Proportion of the Net Pension Asset (Liability)	0.075832%	0.073420%	0.073092%	0.076718%	0.075936%	0.081565%	0.079411%	0.079939%	0.080780%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (1,455,140)	\$ 12,722,953	\$ (2,019,735)	\$ 1,993,150	\$ 1,373,128	\$ 619,974	\$ (850,520)	\$ 8,303,121	\$ 8,998,394
District's Covered Payroll	\$ 13,479,251	\$ 13,479,251	\$ 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 Asset (Liability) as a Percentage of its Covered Payroll	10.80%	94.39%	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 Asset (Liability)	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	114.48%
Employees' Retirement System (ERS)									
District's Proportion of the Net Pension Asset (Liability)	0.0102515%	0.0083937%	0.0083937%	0.0090074%	0.0091991%	0.0082565%	0.0085583%	0.0090772%	0.0089765%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (2,198,345)	\$ 679,090	\$ (8,358)	\$ (2,385,201)	\$ (651,786)	\$ (266,474)	\$ (804,159)	\$ (1,456,922)	\$ (303,248)
District's Covered Payroll	\$ 2,602,531	\$ 2,171,026	\$ 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 Asset (Liability) as a Percentage of its Covered Payroll	84.47%	31.28%	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 Asset (Liability)	90.78%	90.78%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

10 years of historical information was not available upon implementation. An additional year of historical information will be added each subsequent year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedule included in independent auditor's report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S CONTRIBUTIONS – NYSLRS PENSION PLAN

LAST NINE FISCAL YEARS

Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)									
Contractually Required Contribution	\$ 1,316,522	\$ 1,187,600	\$ 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	1,316,522	1,187,600	1,190,872	1,099,177	1,359,950	1,212,178	1,514,604	1,624,860	2,104,267
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$13,479,251	\$13,479,251	\$12,496,031	\$12,406,059	\$12,805,555	\$12,369,163	\$12,923,242	\$12,253,846	\$11,487,292
Contributions as a Percentage of Covered Payroll	9.77%	8.81%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	18.32%
Employees' Retirement System (ERS)									
Contractually Required Contribution	\$ 275,243	\$ 323,734	\$ 309,512	\$ 335,865	\$ 337,092	\$ 332,462	\$ 374,153	\$ 377,027	\$ 408,686
Contributions in Relation to the Contractually Required Contribution	275,243	323,734	309,512	335,865	337,092	332,462	374,153	377,027	408,686
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 2,602,531	\$ 2,171,026	\$ 2,264,673	\$ 2,494,736	\$ 2,528,741	\$ 2,201,916	\$ 2,305,152	\$ 2,270,601	\$ 1,700,061
Contributions as a Percentage of Covered Payroll	10.58%	14.91%	13.67%	13.46%	13.33%	15.10%	16.23%	16.60%	24.04%

10 years of historical information was not available upon implementation. An additional year of historical information will be added each subsequent year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedule included in independent auditor's report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND

Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 53,537,655
Add: Prior Year's Encumbrances	<u>59,444</u>
Original Budget	53,597,099
Budget Revision	<u>-</u>
Final Budget	<u><u>\$ 53,597,099</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 Voter Approved Expenditure Budget	<u>\$ 55,261,205</u>
Maximum Allowed 4% of 2023 - 2024 Budget	<u><u>\$ 2,210,448</u></u>

General Fund Balance Subject to Section 1318 of Real Property Tax Law

Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 3,011,774
Unassigned Fund Balance	<u>2,160,891</u>
Total Unrestricted Fund Balance	<u><u>5,172,665</u></u>

Less:	
Appropriated Fund Balance	3,010,000
Encumbrances Included in Assigned Fund Balance	<u>1,774</u>
Total Adjustments	<u><u>3,011,774</u></u>

General Fund Balance Subject to Section 1318 of Real Property Tax Law \$ 2,160,891

Actual Percentage 3.91%

See paragraph on supplementary schedule included in independent auditor's report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2023

PROJECT TITLE	Expenditures					Methods of Financing				Fund Balance 6/30/2023
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds Of Obligations	Local Sources	Total	
Capital Outlay 2022 - Boiler System	\$ 100,000	\$ 100,000	\$ 81,298	\$ -	\$ 81,298	\$ 18,702	\$ -	\$ 81,298	\$ 81,298	\$ -
Buses	1,300,000	1,300,000	1,251,224	-	1,251,224	48,776	1,250,000	1,224	1,251,224	-
Capital Outlay 2023	3,000,000	3,000,000	-	1,923,426	1,923,426	1,076,574	-	1,923,426	1,923,426	-
Total	\$ 4,400,000	\$ 4,400,000	\$ 1,332,522	\$ 1,923,426	\$ 3,255,948	\$ 1,144,052	\$ 1,250,000	\$ 2,005,948	\$ 3,255,948	\$ -

See paragraph on supplementary schedule included in independent auditor's report.

COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2023

	School Food Service Fund	Debt Service Fund	Capital Projects Fund - Capital Outlay 2023	Capital Projects Fund - Boiler System
ASSETS				
Cash and Cash Equivalents				
Unrestricted	\$ 21,910	\$ -	\$ -	\$ -
Restricted	-	967,219	-	-
Investments - Restricted	-	-	-	-
Receivables				
State and Federal Aid	62,848	-	-	-
Due From Other Funds	257,472	3,662	-	-
Other	15,763	-	-	-
Inventories	56,492	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 414,485</u>	<u>\$ 970,881</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Payables				
Accounts Payable	\$ 192	\$ -	\$ -	\$ -
Accrued Liabilities	51,795	-	-	-
Due to Other Funds	-	-	-	-
Unearned Credits				
Unearned Revenues - Other	-	-	-	-
Total Liabilities	<u>51,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	56,492	-	-	-
Restricted	-	970,881	-	-
Assigned	306,006	-	-	-
Total Fund Balances	<u>362,498</u>	<u>970,881</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND				
BALANCES	<u>\$ 414,485</u>	<u>\$ 970,881</u>	<u>\$ -</u>	<u>\$ -</u>

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

Capital Projects Fund - Buses	Capital Projects Fund - Other	Permanent Fund	Extra Classroom Activity Funds	Scholarships and Awards Fund	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,910
-	41,143	385,829	185,788	219,193	1,799,172
-	-	68,231	-	2,255	70,486
-	-	-	-	-	62,848
-	-	-	-	17,049	278,183
-	-	-	-	-	15,763
-	-	-	-	-	56,492
<u>\$ -</u>	<u>\$ 41,143</u>	<u>\$ 454,060</u>	<u>\$ 185,788</u>	<u>\$ 238,497</u>	<u>\$ 2,304,854</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192
-	-	-	-	-	51,795
-	6,707	10,589	-	-	17,296
-	34,436	-	-	6,460	40,896
<u>-</u>	<u>41,143</u>	<u>10,589</u>	<u>-</u>	<u>6,460</u>	<u>110,179</u>
-	-	-	-	-	56,492
-	-	443,471	185,788	232,037	1,832,177
-	-	-	-	-	306,006
<u>-</u>	<u>-</u>	<u>443,471</u>	<u>185,788</u>	<u>232,037</u>	<u>2,194,675</u>
<u>\$ -</u>	<u>\$ 41,143</u>	<u>\$ 454,060</u>	<u>\$ 185,788</u>	<u>\$ 238,497</u>	<u>\$ 2,304,854</u>

See paragraph on supplementary schedule included in independent auditor's report.

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	School Food Service Fund	Debt Service Fund	Capital Projects Fund - Capital Outlay 2023	Capital Projects Fund - Boiler System
REVENUES				
Use of Money and Property	\$ 4	\$ 39,465	\$ -	\$ -
Miscellaneous	1,212	-	-	-
State Sources	18,501	-	-	-
Federal Sources	915,757	-	-	-
Surplus Food	79,365	-	-	-
Sales - School Food Service	200,214	-	-	-
Total Revenues	1,215,053	39,465	-	-
EXPENDITURES				
General Support	499,249	-	-	-
Employee Benefits	260,984	-	-	-
Cost of Sales - School Food Service	666,317	-	-	-
Other Expenditures	-	-	-	-
Capital Outlays	-	-	1,923,426	-
Total Expenditures	1,426,550	-	1,923,426	-
Excess of Revenues Over Expenditures	(211,497)	39,465	(1,923,426)	-
OTHER FINANCING SOURCES AND (USES)				
Operating Transfers In	-	-	1,923,426	3,334
Operating Transfers Out	-	(491,605)	-	-
Proceeds from Debt - Leases	-	-	-	-
Total Other Financing Sources and (Uses)	-	(491,605)	1,923,426	3,334
Net Change in Fund Balances	(211,497)	(452,140)	-	3,334
Fund Balances (Deficit) - Beginning of Year	573,995	1,423,021	-	(3,334)
Fund Balances - End of Year	\$ 362,498	\$ 970,881	\$ -	\$ -

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

Capital Projects Fund - Buses	Capital Projects Fund - Other	Permanent Fund	Extra Classroom Activity Funds	Scholarships and Awards Fund	Total Non-Major Funds
\$ -	\$ -	\$ 10,589	\$ -	\$ 2,967	\$ 53,025
-	-	1,248	137,089	97,186	236,735
-	-	-	-	-	18,501
-	-	-	-	-	915,757
-	-	-	-	-	79,365
-	-	-	-	-	200,214
<u>-</u>	<u>-</u>	<u>11,837</u>	<u>137,089</u>	<u>100,153</u>	<u>1,503,597</u>
-	-	-	-	-	499,249
-	-	-	-	-	260,984
-	-	-	-	-	666,317
-	-	-	113,356	62,362	175,718
-	281,182	-	-	-	2,204,608
<u>-</u>	<u>281,182</u>	<u>-</u>	<u>113,356</u>	<u>62,362</u>	<u>3,806,876</u>
-	(281,182)	11,837	23,733	37,791	(2,303,279)
1,224	-	-	-	10,589	1,938,573
-	-	(10,589)	-	-	(502,194)
-	281,182	-	-	-	281,182
<u>1,224</u>	<u>281,182</u>	<u>(10,589)</u>	<u>-</u>	<u>10,589</u>	<u>1,717,561</u>
1,224	-	1,248	23,733	48,380	(585,718)
<u>(1,224)</u>	<u>-</u>	<u>442,223</u>	<u>162,055</u>	<u>183,657</u>	<u>2,780,393</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,471</u>	<u>\$ 185,788</u>	<u>\$ 232,037</u>	<u>\$ 2,194,675</u>

See paragraph on supplementary schedule included in independent auditor's report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS

Year Ended June 30, 2023

Capital Assets, Net		\$ 75,024,820
Deduct:		
Premium on Bonds Payable	1,457,108	
Short-Term Portion of Lease Liability	125,055	
Short-Term Portion of Bonds Payable	3,825,000	
Long-Term Portion of Lease Liability	346,078	
Long-Term Portion of Bonds Payable	<u>26,995,000</u>	<u>32,748,241</u>
Net Investment in Capital Assets		<u>\$ 42,276,579</u>

See paragraph on supplementary schedule included in independent auditor's report.

FEDERAL AWARD PROGRAM INFORMATION

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

**TO THE BOARD OF EDUCATION
ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

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 Enlarged Ogdensburg City School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Enlarged Ogdensburg City School District’s basic financial statements and have issued our report thereon dated October 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Enlarged Ogdensburg City School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 of the effectiveness of 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.

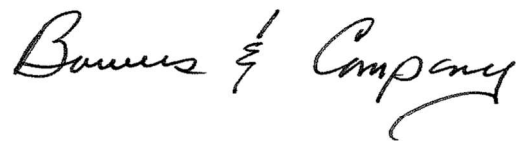
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the main text block.

Watertown, New York
October 12, 2023

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

**TO THE BOARD OF EDUCATION
ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 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 Enlarged Ogdensburg City School District’s major federal programs for the year ended June 30, 2023. 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.

In our opinion, 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Enlarged Ogdensburg City School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Enlarged Ogdensburg City School District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Enlarged Ogdensburg City School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Enlarged Ogdensburg City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Enlarged Ogdensburg City School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Enlarged Ogdensburg City School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Enlarged Ogdensburg City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Enlarged Ogdensburg City School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

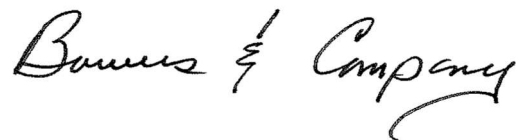
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

The image shows a handwritten signature in cursive script that reads "Bowens & Company". The signature is written in dark ink and is positioned to the right of the main text block.

Watertown, New York
October 12, 2023

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures
<u>U. S. Department of Education</u>			
Passed-Through NYS Education Department:			
Title I Grants to Local Educational Agencies	84.010A	0011-23-2152	\$ 275,000
Title I Grants to Local Educational Agencies	84.010A	0011-22-2152	12,000
Title I Grants to Local Educational Agencies	84.010A	0021-23-2645	814,352
Total Title I Grants to Local Educational Agencies			<u>1,101,352</u>
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-23-0798	481,661
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-23-0798	15,260
Total Special Education Cluster			<u>496,921</u>
Education Stabilization Fund:			
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-2645	1,555,759
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-2645	960,630
Total Education Stabilization Fund			<u>2,516,389</u>
Supporting Effective Instruction State Grants	84.367A	0147-23-2645	63,290
Rural Education	84.358B	0006-23-2645	39,256
Student Support and Academic Enrichment	84.424A	0204-23-2645	46,644
Total Passed Through NYS Education Department			<u>4,263,852</u>
Total U.S. Department of Education			<u>4,263,852</u>
<u>Federal Communications Commission</u>			
Emergency Connectivity Fund Program	32.009		262,800
Total Federal Communications Commission			<u>262,800</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-Through St. Lawrence County Public Health Department:			
COVID-19: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		239,876
Total U.S. Department of Health and Human Services			<u>239,876</u>
Subtotal this Page			<u>\$ 4,766,528</u>

See paragraph on supplementary information included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2023

Subtotal From Previous Page		\$ 4,766,528
<u>U. S. Department of Agriculture</u>		
Passed-Through NYS Education Department:		
COVID-19: Pandemic EBT Administrative Costs	10.649	1,884
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution)		
Fresh Fruits and Vegetable Program	10.582	36,802
National School Lunch Program	10.555	42,563
Non-Cash Assistance Subtotal		79,365
Cash Assistance		
School Breakfast Program	10.553	232,765
COVID-19: Supply Chain Assistance Grant	10.555	54,838
National School Lunch Program	10.555	618,393
National School Snack Program	10.555	7,877
Cash Assistance Subtotal		913,873
Total Child Nutrition Cluster		993,238
Total Passed Through NYS Education Department		995,122
Total U.S. Department of Agriculture		995,122
Total Federal Assistance		\$ 5,761,650

See paragraph on supplementary information included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable programs 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.

The federal expenditures are recognized under the Uniform Guidance.

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 of the data presented. The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

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.

NOTE 5 - NON-MONETARY FEDERAL PROGRAM

This District is the recipient of federal award programs that do not result in cash received or disbursed. The District was granted \$42,563 of commodities under the National School Lunch Program (Assistance Listing Number 10.555) and \$36,802 of commodities under the Fresh Fruit and Vegetable Program (Assistance Listing Number 10.582).

NOTE 6 – SCOPE OF AUDIT

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

NOTE A - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Enlarged Ogdensburg City School District.
2. No significant deficiencies were disclosed during the audit of the basic financial statements of Enlarged Ogdensburg City School District.
3. No instances of noncompliance material to the financial statements of Enlarged Ogdensburg City School District were disclosed, which would be required to be reported in accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs of Enlarged Ogdensburg City School District.
5. The auditor's report on compliance for the major federal award programs for Enlarged Ogdensburg City School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a) related to the major federal award programs for Enlarged Ogdensburg City School District.
7. The Programs tested as major programs include:
 - U.S. Department of Education:
 - Passed Through NYS Education Department:
 - Title I Grants to Local Educational Agencies 84.010A
 - Special Education Cluster:
 - Special Education - Grants to States (IDEA-Part B) 84.027A
 - Special Education – Preschool Grants (IDEA Preschool) 84.173A
 - COVID-19: American Rescue Plan – Elementary and
 - Secondary School Emergency Relief Fund 84.425U
 - COVID-19: Elementary and Secondary School
 - Emergency Relief Fund 84.425D
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. Enlarged Ogdensburg City School District qualifies as a low-risk auditee.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

NOTE B - FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings to report.

**NOTE C - FINDINGS AND QUESTIONED COSTS - MAJOR
FEDERAL AWARD PROGRAMS AUDIT**

There were no findings to report.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2023

NOTE A - FINDINGS - FINANCIAL STATEMENT AUDIT

There were no prior year audit findings.

**NOTE B - FINDINGS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

There were no prior year audit findings.

EXTRA CLASSROOM ACTIVITY FUNDS

INDEPENDENT AUDITOR’S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS

TO THE BOARD OF EDUCATION ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Enlarged Ogdensburg City School District for the year ended June 30, 2023, and the related note to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of Extra Classroom Activity Funds of Enlarged Ogdensburg City School District for the year ended June 30, 2023, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Enlarged Ogdensburg City School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

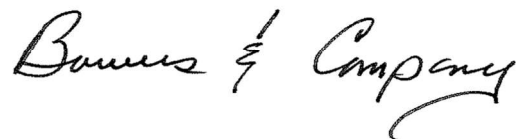
Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance auditing standards generally accepted in the United States of America and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, we:

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

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



Watertown, New York
October 12, 2023

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2023

Account Name	Cash Balance 7/1/2022	Cash Receipts	Cash Disbursements	Cash Balance 6/30/23
Class of 2023	\$ 2,886	\$ 1,235	\$ 4,121	\$ -
Class of 2024	630	19,677	15,988	4,319
Class of 2025	1,027	7,821	4,300	4,548
Class of 2026	-	3,250	1,892	1,358
Art Club	4,475	-	-	4,475
Book Club	870	-	-	870
Drama Club	8,720	6,897	5,619	9,998
Earth Club	1,433	732	128	2,037
French Club	4,473	2,600	4,243	2,830
Honor Society - Middle School	29,690	32,358	21,400	40,648
Honor Society - High School	2,135	-	951	1,184
Human Impact Club	510	793	-	1,303
Marching Band	3,434	1,140	100	4,474
Mock Trial	912	-	-	912
Model UN	564	-	240	324
Student Council - Kennedy School	12,958	8,830	8,893	12,895
Student Council - Madill School	10,025	550	7,186	3,389
Student Council - Middle School	3,992	2,472	2,937	3,527
Student Council - High School	5,848	6,525	2,703	9,670
Varsity Club	43,227	30,381	31,268	42,340
Yearbook - Middle School	10,624	989	887	10,726
Yearbook- High School	13,622	10,839	500	23,961
	<u>\$ 162,055</u>	<u>\$ 137,089</u>	<u>\$ 113,356</u>	<u>\$ 185,788</u>

See note to financial statement.

ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The Extra Classroom Activity Funds of the Enlarged Ogdensburg City School District represents funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management.

The accounts of the Extra Classroom Activity Funds of the Enlarged Ogdensburg City School District are maintained on a cash basis and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets and accrued income and expenses, which would be recognized under generally accepted accounting principles and, which may be material in amount, are not recognized in the accompanying financial statement.