

CITY OF ONEIDA, NEW YORK

**Financial Statements as of
December 31, 2021**

**Together with Independent Auditor's Report and Report
Required by *Government Auditing Standards***

CITY OF ONEIDA, NEW YORK

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INDEPENDENT AUDITOR’S REPORT

May 12, 2022

To the Common Council of the
City of Oneida, New York

Report on the Audit of the Financial Statements

Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Unit	Adverse
Major Fund: General Fund	Unmodified
Major Fund: Water Fund	Unmodified
Major Fund: Capital Fund	Unmodified
Major Fund: Sewer Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Aggregate Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the Oneida Public Library as of December 31, 2021, or the changes in financial position or cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund other than the Oneida Public Library (discretely presented component unit) and the aggregate remaining fund information of the City of Oneida, New York as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

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 the City 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 adverse and unmodified audit opinions.

Matter Giving Rise for Adverse Opinion

Management has not included the Oneida Public Library (Library), a discretely presented component unit in the City's financial statements. Accounting principles generally accepted in the United States of America require the Library to be presented in the City's basic financial statements as a discretely presented component unit. The amount by which this departure would effect this disclosure of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses of the omitted component unit has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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, budgetary comparison information, schedule of changes in total other postemployment benefit liabilities and related ratios, schedules of proportionate share of net pension liability (asset) and contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2022, on our consideration of the City of Oneida, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oneida, New York's internal control over financial reporting and compliance.

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

The City of Oneida's management discussion and analysis provides an overview of the City's activities for the fiscal year ended December 31, 2021. Since this information is designed to focus on current years activities, resulting changes and currently known facts, it should be read in conjunction with the City's financial statements following this section.

FINANCIAL HIGHLIGHTS

The City's net position is reflected as \$(12,122,105).

The General Fund's fund balance increased 27.92% to a total balance of \$5,029,411.

The Water Fund's fund balance increased 13.05% to a total balance of \$6,071,761.

The Sewer Fund's fund balance decreased 36.12% to a total balance of \$1,096,344.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements consist of Government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements

The Government-wide financial statements are organized to provide an understanding of the fiscal performance of the City as a whole in a manner similar to a private sector business. There are two Government-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the City's finances.

The Statement of Net Position

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net positions are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported on the statement for some items that will result in cash flow in future fiscal periods.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the City are reported in the governmental funds and the fiduciary funds.

Management's Discussion and Analysis (Unaudited)

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period they become measurable, funded through available resources and payable within a current period.

Government Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in the future years. Consequently, the governmental fund statements provide a detailed short-term view of the City's operations and the services it provides.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide financial statements. By doing so, you may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. General, Water, Sewer, and Capital, are considered to be major funds and are presented separately in the fund financial statement. The Miscellaneous Special Revenue, Community Development fund, Debt Service Library Fund and Police & Fire Special Revenue fund are presented as the Non-Major Governmental Funds on the fund financial statement.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in its capacity as agent or trustee. All the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the City's Government-wide financial statements because the City cannot use these assets to finance its operations.

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's total net position decreased \$5,587,784 between fiscal year 2020 and 2019. A summary of the City's Statement of Net Position at December 31, 2020 and 2019 is as follows:

	2021	2020	Increase (Decrease)	% Change
Current and other assets	\$ 34,503,145	\$ 22,835,824	\$ 11,667,321	51.1%
Capital assets, (net of accumulated depreciation)	<u>66,779,400</u>	<u>42,950,682</u>	23,828,718	55.5%
 Total assets	 <u>101,282,545</u>	 <u>65,786,506</u>	35,496,039	54.0%
 Deferred outflows of resources-OPEB	 7,359,097	 8,645,172	 (1,286,075)	 -14.9%
Deferred outflows of resources-Pensions	<u>8,905,477</u>	<u>6,375,411</u>	2,530,066	39.7%
 Total assets and deferred outflows of resources	 <u>117,547,119</u>	 <u>80,807,089</u>	36,740,030	45.5%
 Current liabilities	 5,406,209	 1,721,546	 3,684,663	 214.0%
Bond anticipation note payable	35,129,325	7,309,723	27,819,602	380.6%
Pension liability-proportionate share	1,876,295	8,576,376	(6,700,081)	-78.1%
Long term liabilities	<u>77,673,296</u>	<u>75,016,729</u>	2,656,567	3.5%
Total liabilities	<u>120,085,125</u>	<u>92,624,374</u>	27,460,751	29.6%
 Deferred inflows of resources-pensions	 9,331,592	 367,589	 8,964,003	 2438.6%
Deferred inflows of resources-OPEB	<u>252,507</u>	<u>-</u>	252,507	#DIV/0!
 Total liabilities and deferred inflows of resources	 <u>129,669,224</u>	 <u>92,991,963</u>	36,677,261	39.4%
 Net Position				
Net investment in capital assets	7,150,653	21,107,126	(13,956,473)	-66.1%
Restricted	63,344,248	20,245,402	43,098,846	212.9%
Unrestricted (Deficit)	<u>(82,617,006)</u>	<u>(53,537,402)</u>	(29,079,604)	54.3%
Total net position	<u>(12,122,105)</u>	<u>(12,184,874)</u>	62,769	-0.5%
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 117,547,119</u>	<u>\$ 80,807,089</u>	\$ 36,740,030	45.5%

The restricted portion of the net position primarily represents funds being held to finance the cost of construction or reconstruction of water treatment and transmission facilities and other capital projects. The funds can only be spent on specific public improvements or capital projects.

The unrestricted net deficit at December 31, 2021 is \$82,617,006 which represents the amount by which the City's liabilities, excluding debt related to capital construction and restrictions of net position exceeded the City's assets other than capital assets.

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

Changes in Net Position

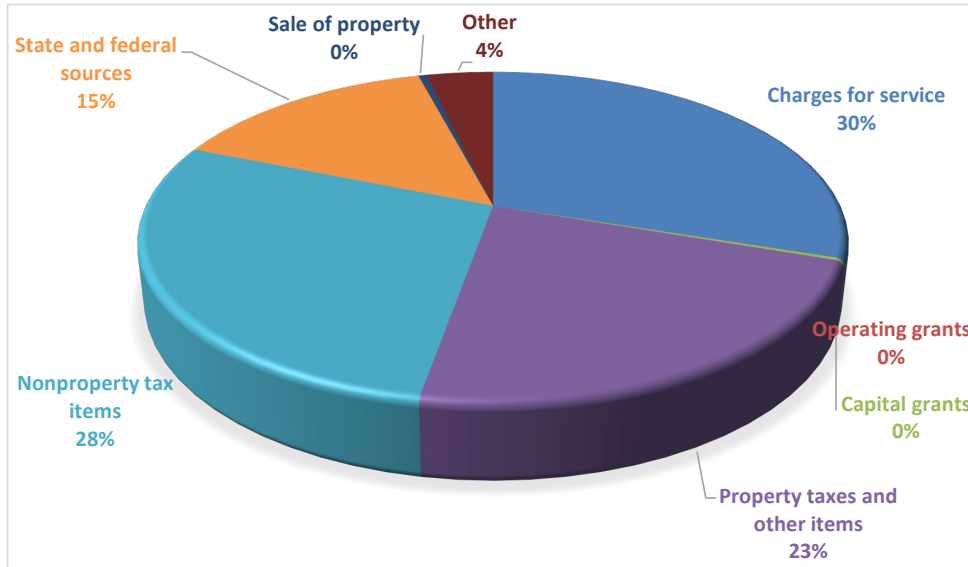
The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Non-property tax items consist of New York State sales tax, utility tax and franchise tax.

A summary of this statement for the years ending December 31, 2021 and 2020 is as follows:

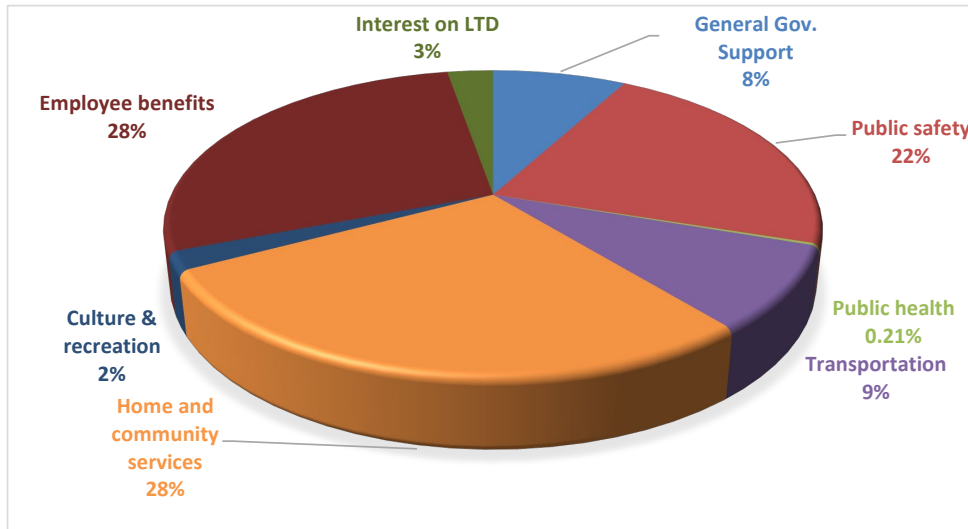
	<u>2021</u>	<u>2020</u>	Increase (Decrease)	<u>% Change</u>
Revenues				
Program revenues				
Charges for service	\$ 6,830,387	\$ 6,321,598	\$ 508,789	8.0%
Operating grants	1,500	-	1,500	100.0%
Capital grants	53,702	497,170	(443,468)	-89.2%
General revenues				
Property taxes and other items	5,117,830	5,418,747	(300,917)	-5.6%
Nonproperty tax items	6,458,319	5,720,360	737,959	12.9%
State and federal sources	3,344,602	2,000,781	1,343,821	67.2%
Sale of property	99,586	99,661	(75)	-0.1%
Other	834,536	634,645	199,891	31.5%
Total revenues	<u>22,740,462</u>	<u>20,692,962</u>	2,047,500	9.9%
Expenditures				
General government support	1,793,695	1,632,468	161,227	9.9%
Public safety	5,019,029	4,880,968	138,061	2.8%
Public health	46,761	83,823	(37,062)	-44.2%
Transportation	2,007,949	3,803,132	(1,795,183)	-47.2%
Home and community services	6,377,227	6,289,149	88,078	1.4%
Culture & recreation	440,802	348,217	92,585	26.6%
Employee benefits	6,377,010	8,814,968	(2,437,958)	-27.7%
Interest on long-term debt	615,220	428,021	187,199	43.7%
Total expenditures	<u>22,677,693</u>	<u>26,280,746</u>	(3,603,053)	-13.7%
Change in net position	<u>\$ 62,769</u>	<u>\$ (5,587,784)</u>	\$ 5,650,553	-101.1%

Management's Discussion and Analysis (Unaudited)

A graphic display of the distribution of revenues is as follows:
For the year ended December 31, 2021



A graphic display of the distribution of expenditures is as follows:
For the year ended December 31, 2021



CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCE

At December 31, 2021, the City's governmental funds reported a combined fund balance of \$(6,219,146). This was a decrease of \$(18,985,049). The decrease was primarily due to a new BAN payable for the WWTP issued in the Capital Projects fund offset by maintaining the proper balance between revenues and expenditures.

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
General Fund			
Nonspendable	\$ 447,009	\$ 856,003	\$ (408,994)
Restricted	769,355	235,845	533,510
Assigned	660,808	82,451	578,357
Unassigned	<u>3,152,239</u>	<u>2,757,278</u>	<u>394,961</u>
	<u>5,029,411</u>	<u>3,931,577</u>	<u>1,097,834</u>
Community Development Fund			
Restricted	<u>266,553</u>	<u>598,559</u>	<u>(332,006)</u>
	<u>266,553</u>	<u>598,559</u>	<u>(332,006)</u>
Water Fund			
Nonspendable	182,809	188,048	(5,239)
Restricted	<u>5,888,952</u>	<u>5,182,613</u>	<u>706,339</u>
	<u>6,071,761</u>	<u>5,370,661</u>	<u>701,100</u>
Capital Fund			
Restricted	55,049,794	11,850,355	43,199,439
Unassigned	<u>(74,049,889)</u>	<u>(7,055,672)</u>	<u>(66,994,217)</u>
	<u>(19,000,095)</u>	<u>4,794,683</u>	<u>(23,794,778)</u>
Sewer Fund			
Nonspendable	43,630	42,606	1,024
Restricted	<u>1,052,714</u>	<u>1,673,525</u>	<u>(620,811)</u>
	<u>1,096,344</u>	<u>1,716,131</u>	<u>(619,787)</u>
Miscellaneous Special Revenue Fund			
Restricted	<u>128,029</u>	<u>103,419</u>	<u>24,610</u>
	<u>128,029</u>	<u>103,419</u>	<u>24,610</u>
Miscellaneous Special Revenue Fund - Police			
Restricted	<u>19,162</u>	<u>14,023</u>	<u>5,139</u>
	<u>19,162</u>	<u>14,023</u>	<u>5,139</u>
Debt Service Library Fund			
Restricted	169,689	587,063	(417,374)
Assigned	-	8,418	(8,418)
Unrestricted	<u>-</u>	<u>(4,358,631)</u>	<u>4,358,631</u>
	<u>169,689</u>	<u>(3,763,150)</u>	<u>3,932,839</u>
Total Fund Balance	<u>\$ (6,219,146)</u>	<u>\$ 12,765,903</u>	<u>\$ (18,985,049)</u>

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's adopted budget for the year ended December 31, 2021, for the General Fund totaled \$13,653,711. The original budget allowed for the use of fund balance in the amount of \$0. With the strong collection of sales tax and a decrease in expenses due to COVID-19, the City was able to add to fund balance in the general fund.

General Fund Balance Budget

	Original 2021	Modified 2021	Actual 2021	Variance Positive (Negative)
Estimated revenues				
Property tax levy	\$ 4,951,635	\$ 4,951,635	\$ 5,010,572	\$ 58,937
Other property tax items	244,326	244,326	123,376	(120,950)
Non property tax items	5,451,941	5,451,941	6,458,319	1,006,378
Departmental	289,745	291,462	181,514	(109,948)
Intergovernmental charges	14,200	14,200	98,663	84,463
Tribal compact money	201,000	201,000	205,165	4,165
Use of money & property	38,600	38,600	43,975	5,375
Licenses and permits	88,540	88,540	109,830	21,290
Fines and forfeitures	82,200	82,200	35,459	(46,741)
Sale of property & compensation for loss	17,500	-	105,034	105,034
Miscellaneous	500	500	2,627	2,127
State aid	1,953,832	1,949,332	2,439,025	489,693
Federal aid	-	-	4,457	4,457
Transfer from other funds	319,692	319,692	298,917	(20,775)
Total estimated revenues	<u>13,653,711</u>	<u>13,633,428</u>	<u>15,116,933</u>	<u>1,483,505</u>
Estimated expenditures				
General govt support	1,455,673	1,644,527	2,045,409	(400,882)
Public safety	4,614,637	4,685,388	4,732,797	(47,409)
Public health	60,158	61,078	46,761	14,317
Transportation	1,380,742	1,391,638	1,361,334	30,304
Culture and recreation	455,734	460,490	373,134	87,356
Home and community services	372,223	375,560	347,218	28,342
Employee benefits	4,336,246	4,316,135	4,254,085	62,050
Debt service-principle	796,217	824,968	698,000	126,968
Debt Service-interest	156,369	156,369	154,656	1,713
Transfer to other funds	25,712	27,275	5,705	21,570
Total estimated expenditures	<u>13,653,711</u>	<u>13,943,428</u>	<u>14,019,099</u>	<u>\$ (75,671)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (310,000)</u>	<u>\$ 1,097,834</u>	

CAPITAL ASSET AND DEBT ADMINISTRATION

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

Capital Assets

The City's total depreciation expense is \$3,155,054, however with the addition of numerous capital projects and construction in progress, the total net capital assets at year end ended with a net increase of \$23,828,718.

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Nondepreciable			
Land	\$ 2,915,301	\$ 2,738,102	\$ 177,199
Construction in progress	<u>30,198,784</u>	<u>7,557,766</u>	<u>22,641,018</u>
	<u>33,114,085</u>	<u>10,295,868</u>	<u>22,818,217</u>
Depreciable			
Buildings	46,215,413	46,215,413	-
Infrastructure	45,008,939	41,366,970	3,641,969
Improvements	4,119,077	4,119,077	-
Equipment	<u>14,480,068</u>	<u>13,991,222</u>	<u>488,846</u>
Subtotal	<u>109,823,497</u>	<u>105,692,682</u>	<u>4,130,815</u>
Total Capital Assets	<u>142,937,582</u>	<u>115,988,550</u>	<u>26,949,032</u>
Accumulated depreciation			
Buildings	(30,852,504)	(29,523,060)	(1,329,444)
Infrastructure	(33,501,056)	(32,775,935)	(725,121)
Improvements	(2,428,965)	(2,251,473)	(177,492)
Equipment	<u>(9,375,657)</u>	<u>(8,487,400)</u>	<u>(888,257)</u>
Total accumulated depreciation	<u>(76,158,182)</u>	<u>(73,037,868)</u>	<u>(3,120,314)</u>
Total net capital assets	<u>\$ 66,779,400</u>	<u>\$ 42,950,682</u>	<u>\$ 23,828,718</u>

Debt administration

Short Term Debt

The City re-issued a Bond Anticipation Note of \$588,600 in October 2021 with an interest rate of .30% to pay for a portion of the Wastewater Treatment Plant Hazard Mitigation capital project. Upon maturity the Bond Anticipation Note will be paid in full due to the receipt of the FEMA grant funds.

Construction has begun on the expansion of the Wastewater Treatment Plant. A BAN was issued for \$34,540,725 with an interest rate of 1.5% to pay for the first year expected construction costs. This BAN also consolidated two previously issued BAN's for \$1,100,000 and \$1,265,110 respectively. The project is necessary to fulfill the requirements of a Department of Environmental Conservation consent order for long-term improvements to the facility.

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

Long Term Debt

In March 2021, the City entered into long term financing with the Towns of Lenox, Lincoln, Verona, Vernon and Vienna in the amount of \$4,159,321 at 2.125% through the US Department of Agriculture Rural Development Agency. This long-term financing is for the construction of the Oneida Public Library. The Library does not have authority to issue general obligation debt under the Constitution and Local Finance Law. The City was apportioned 62.8574% of the joint indebtedness.

Debt Service Schedule-Long and Short Term Debt Service

	Year of Maturity	2021 Beginning Balance	Principal Payment	Interest Payment	2021 Year End Balance
General Fund					
2018 Police Vehicles (3)	2021	\$ 40,000	\$ 40,000	\$ 1,200	\$ -
2011 108-114 Main Street City Court Bldg	2023	121,560	38,830	4,668	82,730
2011 Asbestos Abatement	2023	14,070	4,490	540	9,580
2011 Asbestos Abatement 456 Elizabeth St	2023	75,630	24,160	2,904	51,470
2011 Demolition of Building	2023	12,950	4,130	497	8,820
2011 Dump Truck	2023	12,160	3,880	467	8,280
2011 Fire Department Addition	2023	133,140	42,530	5,113	90,610
2011 Fire Truck	2023	118,860	37,970	4,565	80,890
2011 Oneida Justice Center	2023	147,610	47,180	5,668	100,430
2011 Reconstruction of West Sands St	2023	30,380	9,700	1,167	20,680
2011 Salt Shed	2023	26,890	8,590	1,033	18,300
2011 Sidewalk Plow	2023	26,750	8,540	1,027	18,210
2018 Software Conversion	2023	100,000	30,000	3,000	70,000
2018 LED Street Lighting Design	2023	60,000	20,000	1,800	40,000
2016 Armory Boiler	2026	37,000	6,000	749	31,000
2016 Kallet Chiller	2026	120,000	20,000	2,425	100,000
2017 City Hall Security Upgrades	2027	160,000	20,000	4,925	140,000
2018 Emergency Generator	2028	48,000	6,000	1,485	42,000
2019 LED National Grid Buyback	2028	195,000	20,000	4,025	175,000
2015 Municipal Roof Project	2029	440,000	45,000	11,350	395,000
2016 Plow truck	2030	178,000	17,000	3,985	161,000
2016 Rescue Truck	2030	135,000	12,000	3,054	123,000
2016 Fire Engine	2031	580,000	45,000	13,475	535,000
2017 DPW Fleet Replacement	2032	345,000	25,000	10,875	320,000
2017 Fire Ladder Truck Rehab	2032	388,000	30,000	12,236	358,000
2018 Fire Ladder Truck Rehab- Repairs	2032	43,000	3,500	1,354	39,500
2018 Skid Steer	2033	63,000	4,000	1,996	59,000
2018 Snow Plow 4wd	2033	236,000	17,000	7,488	219,000
2018 Street Sweeper	2033	169,000	13,000	5,346	156,000
2019 Pool Resurfacing	2033	135,000	10,000	2,819	125,000
2019 DPW/Plow Truck	2033	150,000	10,000	3,138	140,000
2019 LED Street Light Construction	2033	925,000	60,000	19,343	865,000
2018 City Hall Additional Repairs	2042	143,000	6,500	4,794	136,500
2017 City Hall Lateral Support Wall Repair	2042	183,000	8,000	6,145	175,000
		<u>\$ 5,593,000</u>	<u>\$ 698,000</u>	<u>\$ 154,656</u>	<u>\$ 4,895,000</u>
Total General Fund 2021 Debt Service Expenditure					\$ 852,656

CITY OF ONEIDA, NEW YORK

Management’s Discussion and Analysis (Unaudited)

Water Fund

2015 Fish Creek	2029	\$ 1,505,000	\$ 150,000	\$ 41,900	\$ 1,355,000
2020 Glenmore Dam	2050	<u>8,000,000</u>	<u>200,000</u>	<u>163,061</u>	<u>7,800,000</u>
Serial Bond Payment		<u>\$ 9,505,000</u>	<u>\$ 350,000</u>	<u>\$ 204,961</u>	<u>\$ 9,155,000</u>
Total Water Fund 2021 Debt Service Expenditure					<u>\$ 554,961</u>

Sewer Fund

2009 WWTP Clean Water EFC	2039	\$ 5,493,556	\$ 289,134	\$ -	\$ 5,204,422
2017 WWTP Aeration Impr.	2042	1,047,000	47,000	35,238	1,000,000
2017 WWTP Fleet Replacement	2032	205,000	15,000	6,475	190,000
Serial Bond Payment		<u>\$ 6,745,556</u>	<u>\$ 351,134</u>	<u>\$ 41,713</u>	<u>\$ 6,394,422</u>
Total Sewer Fund 2020 Debt Service Expenditure					<u>\$ 392,847</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The 2022 budget contains expenditures for necessary purchases while reducing expenses on controllable items. The City continues to receive the majority of revenue from City sales tax (38.9%) and property tax (34.7%) with a 0% property tax increase in the 2022 budget. The City was able to adopt a budget with the use of \$250,116 in fund balance, leaving fund balance projections at the targeted 24%. Expenses were cut to only items needed to maintain the city services with very little allocated to projects outside the immediate need of the taxpayers. The City also decided to create a separate budget for the American Rescue Plan Act (ARPA) Funds. The City has budgeted the ARPA funds for additional service items for the city. Items such as tree removal, sidewalk repair and replacement, road salt, traffic poles, upgrades to Vet's Field and various smaller items that will enhance the City for the taxpayers. The establishment of a separate, Council approved budget, allowed the city to alleviate the tax burden on the taxpayers while providing transparency as to the use of the ARPA funds. While the 2021 sales tax revenue came in much higher than budgeted, assumingly due to online sales tax collections, the future is still considered to be an unstable environment and the City is committed to securing the taxpayer funds to be used cautiously and in the most efficient manner possible.

Union Agreements

The City has the following union agreements in place with the related expiration dates:

<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Civil Service Employees' Association	57	December 31, 2021
Oneida Paid Firefighters' Association	24	December 31, 2024
Oneida Police Benevolent Association	27	December 31, 2021

Project and Improvement Updates around the City

In 2016, HP Hood expanded their operations to include the construction of a 15,000 sq. ft. dairy processing building and an additional 24,000 sq. ft cold storage warehouse facility, which created more than 25 local jobs in the City. In 2017, HP Hood completed the acquisition and development of an adjoining parcel of land to allow the access, parking and loading areas of the site to conform to all security measures required of food manufacturing facilities. They have since added to the line of products manufactured at the Oneida plant, most notably the new Planet Oat milks, all of which are manufactured solely at their plant in Oneida.

CITY OF ONEIDA, NEW YORK

Management's Discussion and Analysis (Unaudited)

In 2014, a building expansion was completed at All Seasonings Ingredients, Inc., a spice and seasoning blends manufacturer, located in the Oneida Business Park. This resulted in 15 additional local jobs. Acquisition of new equipment in 2018-2019 created another packaging line and 11 more full time positions. In 2020, the company completed construction on 2 new buildings, creating a combined 32,000 sq. ft. of new manufacturing and storage areas, as well as paving the way for additional jobs to be created. The company is now looking at further expansion onto property adjoining the Oneida Business Park, as they continue to grow their share of the spice market on a national level.

Green Empire Farms has completed construction and is fully occupying 2 of their 3 32-acre greenhouses and has started construction of the third. Full buildout will see a fourth greenhouse of approximately 15,000 sq. ft., making it the largest hydroponic greenhouse facility in the United States. The site also encompasses 2 large housing facilities, complete with recreation fields, to house onsite employees. At full buildout, this will expand to 4 buildings. Green Empire Farms now employs over 300 people at this site.

A number of new small businesses, both retail and service-oriented, have located in downtown storefronts in the last year, bringing additional jobs into the City Center. New retail buildings have also been constructed on the two main arteries of the City, NYS Routes 5 and 365A.

Oneida Healthcare continues its growth with the addition of a cancer care center in partnership with Roswell Park. They also continue to open new clinics and urgent care offices in surrounding communities.

The Oneida Public Library completed construction at the end of 2020 and is now open to the public. The new library serves not only the educational needs of the City and surrounding towns but includes the capacity and features necessary to serve as a community meeting facility for area groups and organizations.

As of 2021, the City completed the conversion of the street lights to LED luminaires. Additionally, the City has contracted with ESG to begin construction on the expansion of its Wastewater Treatment facility. Groundbreaking on the expansion took place in spring 2021.

The City has completed construction on the Oneida Rail Trail, which has converted existing railbeds into a multimodal transportation corridor that spans the west-to-east corridor, and brings bikers, hikers and walkers through the downtown. It is anticipated that the users of this corridor will increase economic development in downtown businesses.

The City completed the FEMA Hazard Mitigation Grant Program in 2020, purchasing and demolishing 125 properties that were affected by the 2013 flood, at a cost of approximately \$15 million. Additional mitigation measures will finance construction of a new DPW and Water Department garage to relocate it out of the flood zone.

The City was awarded a \$10,000,000 Downtown Revitalization Initiative grant from New York State. It is currently in the preliminary design and development stages

Due to the 2013 flood, the City is approved by DASNY for \$1,900,000 in grant funds to move the current DPW/Water garage out of the flood zone. Design has begun for the new building and the location is being determined. It is projected to cost approximately \$4,900,000.

Recent large-scale housing projects include a 33 unit townhouse development, which is under construction; a completed 40 unit apartment complex; and a 24 unit luxury apartment complex located in a redeveloped Harden Furniture factory.

Management's Discussion and Analysis (Unaudited)

Wastewater Treatment Plant Long Term Improvements

A DEC Consent Order was issued for the Wastewater Treatment Plant to increase their aeration and to make long term improvements. This project upgraded the diffuser and piping to increase the aeration to the biological environment necessary for the plant to operate. On October 9, 2018, the City along with \$380,000 available funds permanently financed \$1,520,000 of the \$3,628,433 bond anticipation notes that matured October 10, 2018 for the aforementioned purpose. The City renewed the remaining portion of the maturing bond anticipation notes to October 9, 2019. The City has contracted with ESG to design an Energy Performance Contract with \$8,325,000 guaranteed revenue over 20 years for the long-term improvements to the Wastewater Treatment Plant. The City approved a bond resolution in the amount of \$54,000,000 as an estimated cost for the total expansion. Applications have been submitted for both the WIIA grant of \$5,000,000 and the Empire State Development grant of \$2,000,000. The City issued \$1,100,000 bond anticipation notes on October 8, 2019 for the aforementioned purpose. The City issued \$1,100,000 bond anticipation notes on October 7, 2020 to renew the bond anticipation notes that matured on October 8, 2020 for this project. The City issued \$1,265,110 additional bond anticipation notes on July 21, 2020 for this purpose. The Notes are being issued, along with \$9,600 available funds of the City to partially redeem and renew the bond anticipation notes being called prior to maturity on March 30, 2021. The City issued bond anticipation notes of \$34,540,725 in March 2021, consolidating the 2 previously issued bond anticipation notes in an effort to cover the expected 2021 costs of construction. As of March 2022, the city renewed the bond anticipation notes for a total of \$47,681,282 in an effort to complete the expansion project expenses. Once the project is complete, the city will enter into long term financing less any grant funds received.

FUTURE FACTORS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are not entirely known at this time, but it has the potential to result in significant economic impact.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City of Oneida's citizens and taxpayers, and the clients of the City, with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the Comptroller, City of Oneida, New York, 109 N. Main Street, Oneida, New York 13421.

CITY OF ONEIDA, NEW YORK

**Statement of Net Position
December 31, 2021**

	Governmental <u>Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents, unrestricted	\$ 9,029,953
Cash and cash equivalents, restricted	22,013,043
Tax sale certificates, net	1,240,937
Assessments receivable	5,001
Accounts receivable	883,087
Taxes receivable	483,023
Loans receivable	81,841
Due from other governments	432,976
Prepaid expenses	333,284
Total current assets	<u>34,503,145</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>66,779,400</u>
Total assets	<u>101,282,545</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - OPEB	7,359,097
Deferred outflows - pension	<u>8,905,477</u>
Total deferred outflows of resources	<u>16,264,574</u>
LIABILITIES	
Current liabilities:	
Accounts payable	3,355,353
Accrued liabilities	242,534
Accrued interest	605,449
Due to other governments	549,696
Unearned grant revenue	653,177
Bond anticipation note payable	<u>35,129,325</u>
Total current liabilities	<u>40,535,534</u>
Long term obligations:	
Net pensions liability	1,876,295
Due within one year	1,489,134
Due in more than one year	<u>76,184,162</u>
Total long term obligations	<u>79,549,591</u>
Total liabilities	<u>120,085,125</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	9,331,592
Deferred inflows - OPEB	<u>252,507</u>
Total deferred outflows of resources	<u>9,584,099</u>
NET POSITION	
Net investment in capital assets	7,150,653
Restricted	63,344,248
Unrestricted	<u>(82,617,006)</u>
Total net position	<u>\$ (12,122,105)</u>

The accompanying notes are an integral part of these statements.

CITY OF ONEIDA, NEW YORK

Balance Sheet
Governmental Funds
December 31, 2021

	Governmental				Nonmajor Governmental Fund	Total Governmental Funds
	General Fund	Water Fund	Capital Fund	Sewer Fund		
ASSETS						
Cash & cash equivalents, unrestricted	\$ 3,337,045	\$ 4,946,005	\$ -	\$ 617,042	\$ 129,861	\$ 9,029,953
Cash, restricted	769,355	793,595	19,920,469	74,620	455,004	22,013,043
Tax sale certificates, net	1,240,937	-	-	-	-	1,240,937
Assessments receivable	5,001	-	-	-	-	5,001
Accounts receivable	303,400	283,010	-	296,677	-	883,087
Loans receivable	-	-	-	-	81,841	81,841
Due from other funds	1,498,298	-	992,624	200,000	-	2,690,922
Due from other governments	369,114	-	63,462	-	400	432,976
Prepaid expenditures	<u>447,009</u>	<u>182,809</u>	<u>-</u>	<u>43,630</u>	<u>-</u>	<u>673,448</u>
Total assets	<u>\$ 7,970,159</u>	<u>\$ 6,205,419</u>	<u>\$ 20,976,555</u>	<u>\$ 1,231,969</u>	<u>\$ 667,106</u>	<u>\$ 37,051,208</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 76,807	\$ 80,466	\$ 3,149,027	\$ 47,221	\$ 1,832	\$ 3,355,353
Accrued liabilities	181,812	38,991	-	21,731	-	242,534
Due to other funds	992,624	-	1,698,298	-	-	2,690,922
Unearned grant revenue	557,135	14,201	-	-	81,841	653,177
Due to other governments	-	-	-	66,673	-	66,673
BAN payable	-	-	35,129,325	-	-	35,129,325
Total liabilities	<u>1,808,378</u>	<u>133,658</u>	<u>39,976,650</u>	<u>135,625</u>	<u>83,673</u>	<u>42,137,984</u>
Deferred Inflows of Resources:						
Unavailable revenue - real property taxes	<u>1,132,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,132,370</u>
Total deferred inflows of resources	<u>1,132,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,132,370</u>
Fund balances:						
Nonspendable	447,009	182,809	-	43,630	-	673,448
Restricted	769,355	5,888,952	55,049,794	1,052,714	583,433	63,344,248
Assigned	660,808	-	-	-	-	660,808
Unassigned	<u>3,152,239</u>	<u>-</u>	<u>(74,049,889)</u>	<u>-</u>	<u>-</u>	<u>(70,897,650)</u>
Total fund balances	<u>5,029,411</u>	<u>6,071,761</u>	<u>(19,000,095)</u>	<u>1,096,344</u>	<u>583,433</u>	<u>(6,219,146)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,970,159</u>	<u>\$ 6,205,419</u>	<u>\$ 20,976,555</u>	<u>\$ 1,231,969</u>	<u>\$ 667,106</u>	<u>\$ 37,051,208</u>

The accompanying notes are an integral part of these statements

CITY OF ONEIDA, NEW YORK

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
December 31, 2021**

Total fund balance - governmental funds		\$ (6,219,146)
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 142,937,582	
Accumulated depreciation	<u>(76,158,182)</u>	66,779,400
Revenue related to the tax levy is recognized when earned in the statement of activities, but deferred in the fund statements if collection is anticipated to exceed sixty days after year end.		
		1,132,370
Revenue related to delinquent schools taxes in which collection is anticipated to exceed sixty days after year end and therefore deferred in the funds.		
		483,023
Delinquent tax amounts that are not due and payable to Oneida City School District in the current period, and therefore are not reported in the funds.		
		(483,023)
Deferred outflows/inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the funds.		
Deferred outflows - relating to pensions	\$ 8,905,477	
Deferred inflows - relating to pensions	<u>(9,331,592)</u>	(426,115)
Reduce prior year prepaid asset associated with pensions that was recorded in the funds and reconciled as a reduction in the governmental activities.		
		(340,164)
Deferred outflows/inflows of resources related to other postemployment benefits are applicable to future periods and, therefore are not reported in the funds.		
Deferred outflows - relating to OPEB	\$ 7,359,097	
Deferred inflows - relating to OPEB	<u>(252,507)</u>	7,106,590
Accrued interest is not due and payable in the current period and therefore is not reported in the funds.		
		(605,449)
Long-term debt and other noncurrent liabilities are not due and payable in the current period and; therefore, are not reported in the funds.		
Bonds payable	\$ (24,499,422)	
Compensated absences	(3,490,021)	
Net pension liability	(1,876,295)	
Total other postemployment benefits	<u>(49,683,853)</u>	<u>(79,549,591)</u>
Net position of governmental activities		<u>\$ (12,122,105)</u>

The accompanying notes are an integral part of these statements.

CITY OF ONEIDA, NEW YORK

Statement of Revenues, Expenditures and Change in Fund Balances
 Governmental Funds
 For the year ended December 31, 2021

	Governmental				Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Water Fund	Capital Fund	Sewer Fund		
REVENUES:						
Real property taxes	\$ 5,010,572	\$ -	\$ -	\$ -	\$ 43,465	\$ 5,054,037
Other real property tax items	123,376	-	-	-	-	123,376
Non-property taxes	6,458,319	-	-	-	-	6,458,319
Departmental income	181,514	4,096,408	-	2,421,696	29,456	6,729,074
Intergovernmental charges	98,663	-	-	-	-	98,663
Tribal compact moneys	205,165	-	-	-	-	205,165
Use of money and property	43,975	2,904	-	-	778	47,657
Licenses and permits	109,830	-	-	-	-	109,830
Fines and forfeitures	35,459	-	-	-	-	35,459
Sale of property and compensation for loss	105,034	55,950	-	-	-	160,984
Miscellaneous	2,627	52	34,066	258	15,021	52,024
Intergovernmental revenue	-	-	-	-	387,051	387,051
State aid	2,439,025	-	1,098,861	-	-	3,537,886
Federal aid	4,457	-	197,636	-	-	202,093
Total revenues	<u>14,818,016</u>	<u>4,155,314</u>	<u>1,330,563</u>	<u>2,421,954</u>	<u>475,771</u>	<u>23,201,618</u>
EXPENDITURES:						
General government support	2,045,409	-	-	-	-	2,045,409
Public safety	4,732,797	-	18,898	-	13,118	4,764,813
Public health	46,761	-	-	-	-	46,761
Transportation	1,361,334	-	895,431	-	-	2,256,765
Home and community services	347,218	2,014,619	25,364,135	1,785,573	325,247	29,836,792
Culture and recreation	373,134	-	251,905	-	-	625,039
Employee benefits	4,254,085	518,812	-	330,974	-	5,103,871
Debt service - principal	698,000	350,000	-	351,134	104,321	1,503,455
Debt service - interest	154,656	201,961	-	58,320	196,067	611,004
Total expenditures	<u>14,013,394</u>	<u>3,085,392</u>	<u>26,530,369</u>	<u>2,526,001</u>	<u>638,753</u>	<u>46,793,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>804,622</u>	<u>1,069,922</u>	<u>(25,199,806)</u>	<u>(104,047)</u>	<u>(162,982)</u>	<u>(23,592,291)</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from the issuance of debt	-	-	-	-	4,159,321	4,159,321
Premium on issuance of BAN	-	-	442,121	-	-	442,121
BAN's redeemed from appropriations	-	-	5,800	-	-	5,800
Interfund transfers in	298,917	32,788	1,019,220	-	102,039	1,452,964
Interfund transfers out	(5,705)	(401,610)	(62,113)	(515,740)	(467,796)	(1,452,964)
Total other financing sources (uses) - net	<u>293,212</u>	<u>(368,822)</u>	<u>1,405,028</u>	<u>(515,740)</u>	<u>3,793,564</u>	<u>4,607,242</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	<u>1,097,834</u>	<u>701,100</u>	<u>(23,794,778)</u>	<u>(619,787)</u>	<u>3,630,582</u>	<u>(18,985,049)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>3,931,577</u>	<u>5,370,661</u>	<u>4,794,683</u>	<u>1,716,131</u>	<u>(3,047,149)</u>	<u>12,765,903</u>
FUND BALANCES AT END OF YEAR	<u>\$ 5,029,411</u>	<u>\$ 6,071,761</u>	<u>\$ (19,000,095)</u>	<u>\$ 1,096,344</u>	<u>\$ 583,433</u>	<u>\$ (6,219,146)</u>

The accompanying notes are an integral part of these statements.

CITY OF ONEIDA, NEW YORK

**Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended December 31, 2021**

Net changes in fund balances - total governmental funds	\$ (18,985,049)
The change in net position reported for governmental activities in the Statement of Activities is different because:	
The change in OPEB liability in the statement of activities does not require the expenditure of current resources and is, therefore, not reported as an expenditure in the governmental funds.	190,340
In the governmental funds, OPEB related transactions are recorded as an expenditure when due. In the Statement of Activities, long-term liabilities are accrued for. This is the amount in change from the prior year by which the deferred outflows exceeded the deferred inflows.	(1,538,582)
Governmental funds report all capital outlays as expenditures. However, in the Statement of Activities, the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the funds in the current period.	23,828,718
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of change in tax sale certificate revenue from the prior year.	(59,583)
State aid in the statement of activities that do not provide current financial resources are not reported as revenue in the funds but rather a deferred inflow of resources. This is the amount by which the City is owed for State funding in the prior year. Such receivable is not applicable in the current year.	(340,175)
Repayment of debt service principal is recorded as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,503,455
Bond proceeds are recorded as an other financing source in the governmental funds but are recorded as an increase in long-term debt in the statement of net position.	(4,159,321)
The decrease in proportionate share of net pension liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds.	6,700,081
In the governmental funds, pension related transactions are recorded as an expenditure when due. In the Statement of Activities, long-term liabilities are accrued for. This is the amount in change from the prior year by which the deferred inflows exceeded the deferred outflows.	(6,433,937)
Increase in accrued interest not previously reported in the funds.	(452,137)
Liabilities associated with compensated absences do not require the use of current financial resources and therefore are reported as a long-term liability in the Statement of Activities. This is the amount by which compensated absences obligations changed during the year.	<u>(191,041)</u>
Change in net position of governmental activities	<u>\$ 62,769</u>

The accompanying notes are an integral part of these statements.

CITY OF ONEIDA, NEW YORK

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021**

	Custodial Funds
ASSETS:	
Restricted cash	\$ -
Other assets	-
	<hr/>
Total assets	-
	<hr/>
LIABILITIES:	
Accounts payable	-
	<hr/>
Total liabilities	-
	<hr/>
NET POSITION:	
Restricted net position	\$ -
	<hr/> <hr/>

**Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021**

	Custodial Funds
ADDITIONS:	
Tax collections for other governments	\$ 4,983,100
	<hr/>
Total additions	4,983,100
	<hr/>
DEDUCTIONS:	
Payments of tax to other governments	4,983,100
	<hr/>
Total deductions	4,983,100
	<hr/>
Net increase(decrease) in fiduciary net position	-
Total net position - beginning of year	-
	<hr/>
Total net position - end of year	\$ -
	<hr/> <hr/>

The accompanying notes are an integral part of these statements.

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oneida, New York (the City) is governed by the general laws of the State of New York and various local laws and ordinances. The Common Council, which is the legislative body responsible for the overall operations of the City, consists of the Mayor and six Councilors. The Mayor serves as chief executive officer and the Comptroller serves as the chief financial officer of the City. The City provides services of general government, public safety (police and fire), highways and streets, water and sewer and various recreational and community services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government which is the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in generally accepted accounting principles.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the City's reporting entity if it is both fiscally dependent on the City and there is a potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. Oneida Public Library was created by State legislation and is coextensive with the Oneida City School District. Board members are elected by residents who live in the special library district. The City exercises no oversight over library operations however the library is fiscally dependent on the City for bonding of their new library expansion project. City management has elected to exclude disclosing the library within these basic financial statements.

Excluded from the Reporting Entity:

The following organization is not included in the City reporting entity because of the reasons noted:

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

Notes to Basic Financial Statements

A. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements. No fiduciary assets were held as of and for the year ended December 31, 2021.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. General revenues support all activities and programs. All taxes are considered general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds with each fund accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows (when applicable), liabilities, deferred inflows of resources, fund balances, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary, of which the City has governmental and fiduciary funds. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the City or the total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, or the fund is of particular importance to the financial statements for reasons such as public interest or consistency.

The funds of the financial reporting entity are described below:

Governmental Fund Types

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Community Development Fund

The Community Development Fund is a special revenue fund used to account for the revenues in the Community Development Block Grants and other federal sources that are legally restricted to expenditures for those specified purposes.

Notes to Basic Financial Statements

Miscellaneous Special Revenue Fund

The Miscellaneous Special Revenue Fund is a special revenue fund used to account for the revenues of hydrant districts that are legally restricted to expenditures.

Special Revenue - Police & Fire Fund

The Special Revenue Police Fund is a special revenue fund used to account for the revenues of drug forfeiture assets and equitable sharing funds from federal cases that are legally restricted to be used for law enforcement purposes. It also is used for Continuing Medical Education (CME) training reimbursements that are restricted for CME equipment purchases.

Water Fund

The Water Fund is a special revenue fund used to account for the revenues of the water department that are legally restricted to expenditures.

Sewer Fund

The Sewer Fund is a special revenue fund used to account for the revenues of the sewer department that are legally restricted to expenditures.

Capital Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes and federal aid.

Debt Service Library Fund

The Debt Service Fund is used to account for debt service payments made by the City and joint obligors (see Note 5) which relate to the construction of the library. The City holds the bond proceeds for the construction as the Library is without authority to issue general obligation debt in its own name as well as debt service payments from the joint obligors.

Fiduciary Fund Types:

Custodial Fund

Custodial funds account for assets held by the City in a purely custodial capacity on a temporary basis. No custodial assets were held as of year end December 31, 2021.

Major Funds

The funds are further classified as major or non-major funds. Major funds are as follows:

- General Fund - See above for description.
- Water Fund – See above for description.
- Sewer Fund – See above for description.
- Capital Fund – See above for description.

Notes to Basic Financial Statements

Non-Major Fund

- Community Development Fund - See above for description.
- Debt Service Library Fund - See above for description.
- Miscellaneous Special Revenue Fund – See above for description.
- Special Revenue Police & Fire Fund – See above for description.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the Statement of Net Position, Statement of Activities, and Statement of Revenues, Expenses and Change in Net Position, the governmental activities and fiduciary funds are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets, liabilities, and deferred outflows and inflows associated with their activities (whether current or noncurrent) are reported.

In the fund financial statements, the current financial resources measurement focus is used for all governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows and inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental funds financial statements are presented on a modified accrual basis of accounting with a current financial resources measurement focus. This measurement focus concentrates on the fund's resources available for spending in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. City revenues are generally considered available if collected within 60 days of year-end. The City reports deferred inflows when the potential revenue does not meet both the measurable and available criteria for recognition in the current period.

Property taxes, grant revenue, sales tax, and other taxes are the primary revenue sources subject to accrual. Property taxes are reported as receivable and a deferred inflow of resources when an enforceable lien on the property exists. The City bills and collects its own property taxes and County taxes. Collections and remittance of taxes for the County are accounted for in the General Fund.

Notes to Basic Financial Statements

Under modified accrual accounting, governmental fund liabilities (and expenses) should be accrued in the absence of applicable modification. Such modifications exist for long-term indebtedness, compensated absences, claims and judgments and other long-term liabilities. These liabilities are accrued in the governmental funds only to the extent they are due.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is provided.

All proprietary (when applicable) and fiduciary funds utilize the accrual basis of accounting.

Budgets and Budgetary Accounting

In accordance with the City Charter, budgets are adopted annually on a basis generally consistent with accounting principles generally accepted in the United State of America (GAAP). All unencumbered budget appropriations lapse at year-end. The General Fund's budget is adopted on a departmental basis, which is the level of control at which expenditures may not legally exceed appropriations. On a budgetary basis, current year encumbrances are included with expenditures, while expenditures of prior years' encumbrances are excluded.

The Common Council follows these procedures in establishing the budgetary data reported in the financial statements:

- a. No later than October 31 of each year, the Mayor submits a tentative budget to the Common Council for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all the funds of the City. It enumerates those funds, which are to be borne by the City as a whole and those funds, which are to be chargeable only against special districts.
- b. After public hearings are conducted to obtain taxpayer comments, the Common Council adopts the budget.
- c. Encumbrance accounting, under which the purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed in the General, Community Development, Water, Sewer and Capital Project Funds. On a GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance, which do not result in expenditures or liabilities on the governmental funds financial statements.
- d. All modifications of the budget must be approved by the Common Council.

C. Cash and Cash Equivalents

Cash and cash equivalents include demand deposit accounts and money market accounts.

D. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include amounts restricted for future debt payments, amounts restricted for capital projects, cash to fund grant related programs, and amounts collected on behalf of other governments.

Notes to Basic Financial Statements

E. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year end and not yet received. Major receivable balances for the governmental activities include grants, property taxes, and intergovernmental receivables.

In the fund financial statements, receivables in governmental funds include grants, property taxes, and intergovernmental receivables. Sewer and water fund receivables are fully guaranteed by the general fund of the City. Management believes an allowance for doubtful accounts is not required.

F. Tax Sale Certificates and Property Acquired for Taxes

At December 1, the current tax receivables are converted into tax sale certificates. The tax sale certificates will gain interest on the delinquent taxes until they are paid or acquired for taxes. At the point in which the delinquent taxes have not been paid for two years, the property is acquired by the City. The City will sell the property to cover the unpaid taxes and to restore the property to the tax roll. Management believes an allowance for doubtful accounts of 5% is required. The allowance at December 31, 2021 was \$58,896.

G. Due from Other Governments

Due from other governments is comprised of the City's portion of sales tax, equipment grant money and CHIPs funding from New York State. Management believes an allowance for doubtful accounts is not required.

H. Prepaid Items

Payments to vendors for costs associated with future accounting periods are recorded as prepaid assets in the financial statements.

I. Deferred Inflows and Outflows of Resources

Government-Wide Financial Statements:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources which are comprised of New York State Retirement Systems pension amounts as described in Note 8 and OPEB as described in Note 9.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has deferred inflows of resources resulting from New York State Retirement Systems pension amounts as described in Note 8 and OPEB as described in Note 9.

Notes to Basic Financial Statements

Fund Financial Statements:

In addition to liabilities, the balance sheet of the governmental funds includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of 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 City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Capital Assets

Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and a useful life of 3 or more years. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is recorded over the assets' estimated useful lives using the straight-line method of depreciation. A mid-month convention is used in the depreciation calculation. Specifically, one-half month's depreciation is calculated in the first month the asset is acquired and in the last month of the asset's useful life. A full month's depreciation is calculated in all intervening months. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	40 years
Machinery and Equipment	3-15 years
Infrastructure	40 years

K. Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. Vacation is granted in varying amounts based primarily on length of service and service position. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limits.

For the government-wide financial statements, it is the City's policy to accrue all costs associated with earned, but not yet paid, compensated absences of all employees involved in the operations of the City's reporting entity. Governmental funds record an expenditure when paid.

L. Short-Term Obligations

The City 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 the bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

Notes to Basic Financial Statements

M. Long-Term Obligations

In the Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities. When applicable, bonds payable are reported net of the applicable bond premium or discount.

Long-term debt is not reported as a liability of the governmental funds, and any debt issued is reported as other financing sources, including bond premiums or discounts, in the Statement of Revenues, Expenditures and Change in Fund Balances. In a governmental fund, payments of principal and interest on general long-term debt are recognized as expenditures when paid.

N. Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in the following components:

- Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – see definition below under Fund Financial Statements.
- Unrestricted - remaining net position that does not meet the definition of “net investment in capital assets” or restricted net position.

Fund Financial Statements

Governmental fund balances are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. When funds from more than one classification may be used to satisfy an expenditure, the City's policy is to utilize funds with the strongest spending constraints first.

- Non-spendable fund balance - amounts that are not in a spendable form or are required to be maintained intact. Non-spendable fund balance includes prepaid expenses.
- Restricted fund balance - amounts that are restricted as to the use of the resources by externally imposed creditors through debt covenants, grantors, or laws and regulations. All remaining fund balance not otherwise classified as nonspendable, committed or assigned in funds, other than the General Fund, are classified as restricted balance.
- Committed fund balance - amounts constrained to specific purposes by the City itself, by vote of the Common Council, the City's highest level of decision-making authority. The Common Council must approve the establishment (or modification) of any fund balance commitment. The City has no committed fund balances as of December 31, 2021.
- Assigned fund balance - amounts the City intends to use for a specific purpose; intent for which must be expressed by the City Board or Department management. Assigned fund balance in the General Fund consists of encumbrances and appropriated fund balance of \$660,808.

Notes to Basic Financial Statements

- Unassigned fund balance - amounts within the General Fund that do not meet the definition of the above classification and are deemed to be available for general use by the City. In addition, remaining negative fund balance for funds other than the General Fund is classified as unassigned fund balance.

The City has adopted a fund balance policy for the General Fund, whereas the minimum level of fund balance is to be kept at 20% of the General Fund's subsequent year's Budget.

O. Retirement

The City provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State and Local Employees' Retirement System (ERS), and Policemen's and Firemen's Retirement System (PFRS). The systems provide various plans and options, some of which require employee contributions. The systems compute the cost of retirement benefits based upon their respective fiscal years: ERS and PFRS – April 1 to March 31. See Note 8 for further information.

P. Other Postemployment Benefits

In addition to providing pension benefits, the City provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the City and the retired employee. See Note 9 for further information.

Q. Revenues and Expenses/Expenditures

Grants

For both the government-wide and fund financial statements, the City follows the policy that an expenditure/expense of funds is the prime factor for determining the release of grant funds and revenue is recognized at the time of the expenditure/expense of funds in accordance with the measurement focus and basis of accounting. If release of grant funds is not contingent upon expenditure/expense of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor. If grants are received in advance of incurring an expenditure or expense, the proceeds will be recorded as unearned grant revenue.

Property Taxes and Property Acquired for Taxes

Taxes are collected during the period January 1st to November 30th. On December 1st, unpaid City taxes are turned over to the City Chamberlain for tax sale. At this time the owner of the property has two years in which to pay those taxes before the property becomes acquired by the City. If the taxes outstanding are not paid, the property is then acquired per City Charter as a property acquired for taxes to be sold and returned to the tax roll.

Notes to Basic Financial Statements

Other Revenues

In the fund financial statements, governmental funds record licenses and permits, certain charges for services, fines and forfeits, and miscellaneous revenues, including grants and contributions, on the cash basis because they are generally not measurable until actually received. In the government-wide financial statements, other revenues, if material, are recognized when earned.

Program Revenues

In the government-wide financial statements, program revenues include fees, fines, charges for services as well as grants. These revenues are allocated by governmental activity based upon the corresponding expense charged to the governmental activities.

Expenses/Expenditures

In the government-wide financial statements, expenses are classified by activity. Expenses are recognized when they are incurred. Direct expenses are those that are specifically associated with an activity and are clearly identifiable to a particular function.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by character:	Current (further classified by function)
	Debt service
	Other financing uses

In the fund financial statements, governmental funds report expenditures of financial resources. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Allocations of costs, such as depreciation, are not recognized.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, transfers are eliminated upon consolidation.

Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Notes to Basic Financial Statements

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

2. CASH AND CASH EQUIVALENTS

New York State governs the City's investment policies. The City is permitted to invest in special time deposits and certificate of deposits. In addition, the City may invest funds in direct obligations of the United States of America or obligations guaranteed by agencies of the United States of America where the payment of principal and interest are further guaranteed by the United States of America. Other eligible investments for the City include obligations of the State and repurchase agreements, subject to various conditions.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities. At year-end, demand deposits and certificates of deposit for the City were entirely covered by FDIC insurance or collateral held by trust companies located within the State.

At December 31, 2021, cash and cash equivalents consisted of demand deposit accounts, time deposit accounts, and savings accounts.

Custodial Credit Risk – Deposits

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 City's investment and deposit policy, all deposits of the City including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of securities with an aggregate value of 100% or more of the aggregate amount of deposits.

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

The City 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, an agency thereof, or a United States government sponsored corporation.
- Obligations partially insured or guaranteed by any agency of the United States.
- Obligations issued or fully insured or guaranteed by New York State.
- Obligations issued by a municipal corporation, school district, or district corporation of New York State.
- Obligations of counties, cities, and other governmental entities of a state other than New York State having the power to levy taxes that are backed by the full faith and credit of such governmental entity.
- By a pledge of eligible securities with an aggregate market value equal to the aggregate of deposits, from the categories designated in the Village's investment policy.
- By an eligible irrevocable letter-of-credit issued by a qualified bank other than the bank with deposits in favor of the City of a term not to exceed ninety days with an aggregate value equal to 104% of the amount of deposits and the agreed upon interest, if any.
- By an eligible surety bond payable to the City for an amount equal to 100% of the aggregate amount of the deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims paying ability is rated in the highest category by at least two nationally recognized statistical rating organizations.

The City does not have any foreign currency investments, securities lending agreements, or derivative instruments.

Total deposits of cash and cash equivalents, excluding petty cash in the amount of \$500 are as follows for the year ended December 31, 2021:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Money market accounts	\$ 5,614,670	\$ 5,614,670
Cash	<u>28,697,648</u>	<u>25,427,826</u>
Total	<u>\$ 34,312,318</u>	<u>\$ 31,042,496</u>

These deposits were insured or collateralized as follows:

FDIC insurance	\$ 750,000
Collateralized by third party	<u>33,562,318</u>
Total	<u>\$ 34,312,318</u>

Notes to Basic Financial Statements

3. LOANS RECEIVABLE

Revolving loans

The Community Development Fund provides loans to small businesses to develop innovative products and services and to create jobs. The program is funded through the City’s Federal Community Development Block Grant. The various loans were issued at \$75,000. The loans are to be repaid in monthly installments over 5 to 10 years at an interest rate of 3.00%.

The following is a schedule of further loan payments to the City as of December 31, 2021:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 30,982	\$ 3,129	\$ 34,111
2023	8,446	244	8,690
2024	<u>6,491</u>	<u>26</u>	<u>6,517</u>
Total	<u>\$ 45,919</u>	<u>\$ 3,399</u>	<u>\$ 49,318</u>

Facade loans

The Community Development Fund provides loans to small businesses to enhance the appearance of street front and lane facades. The program is funded through the City’s Federal Community Development Block Grant. The various loans range from \$10,000 to \$27,997. The loans are to be repaid in monthly installments over five years at interest rates ranging from 0.94% to 1.00%.

The following is a schedule of further loan payments to the City as of December 31, 2021:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 24,210	\$ 253	\$ 24,463
2023	5,655	56	5,711
2024	<u>6,057</u>	<u>57</u>	<u>6,114</u>
Total	<u>\$ 35,922</u>	<u>\$ 366</u>	<u>\$ 36,288</u>

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

4. CAPITAL ASSETS AND DEPRECIATION SCHEDULE

Capital asset activity for the year ended December 31, 2021 for governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable:				
Land	\$ 2,738,102	\$ 224,499	\$ (47,300)	\$ 2,915,301
Construction in Progress	<u>7,557,766</u>	<u>26,189,436</u>	<u>(3,548,418)</u>	<u>30,198,784</u>
Subtotal	<u>10,295,868</u>	<u>26,413,935</u>	<u>(3,595,718)</u>	<u>33,114,085</u>
Depreciable:				
Buildings	46,215,413	-	-	46,215,413
Infrastructure	41,366,970	3,641,969	-	45,008,939
Improvements	4,119,077	-	-	4,119,077
Equipment	<u>13,991,222</u>	<u>537,684</u>	<u>(48,838)</u>	<u>14,480,068</u>
Subtotal	<u>105,692,682</u>	<u>4,179,653</u>	<u>(48,838)</u>	<u>109,823,497</u>
Total capital assets	<u>115,988,550</u>	<u>30,593,588</u>	<u>(3,644,556)</u>	<u>142,937,582</u>
Accumulated depreciation:				
Buildings	(29,523,060)	(1,329,444)	-	(30,852,504)
Infrastructure	(32,775,935)	(725,121)	-	(33,501,056)
Improvements	(2,251,473)	(177,492)	-	(2,428,965)
Equipment	<u>(8,487,400)</u>	<u>(922,997)</u>	<u>34,740</u>	<u>(9,375,657)</u>
Total	<u>(73,037,868)</u>	<u>(3,155,054)</u>	<u>34,740</u>	<u>(76,158,182)</u>
Net capital assets	<u>\$ 42,950,682</u>	<u>\$ 27,438,534</u>	<u>\$ (3,609,816)</u>	<u>\$ 66,779,400</u>

Depreciation was charged to governmental activities as follows:

General government support	\$ 9,134
Public safety	276,969
Transportation	770,400
Home and community services	2,029,137
Culture and Recreation	<u>69,414</u>
Total depreciation expense	<u>\$ 3,155,054</u>

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

5. SHORT-TERM DEBT

Short-term bond anticipation note payable and activity as of December 31, 2021:

Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
7/9/2021	1.500%	\$ 4,350,213	\$ -	\$ (4,350,213)	\$ -
7/21/2021	1.070%	1,265,110	-	(1,265,110)	-
10/7/2021	0.640%	594,400	-	(594,400)	-
10/7/2021	0.640%	1,100,000	-	(1,100,000)	-
3/31/2022	1.500%	-	34,540,725	-	34,540,725
10/6/2022	0.300%	-	588,600	-	588,600
		<u>\$ 7,309,723</u>	<u>\$ 35,129,325</u>	<u>\$ (7,309,723)</u>	<u>\$ 35,129,325</u>

In March 2021, the City issued a Bond Anticipation Note in the amount of \$34,540,725 at 1.500% maturing in March 2022. In October 2021, the City renewed a Bond Anticipation Note in the amount of \$588,600 at .300%, maturing in October 2022. This short-term financing is for the Waste Water Treatment Plant capital project.

6. LONG-TERM OBLIGATIONS

Summary of Long-Term Obligations

The following is a summary of all long-term obligations outstanding as of December 31, 2021:

	Beginning Balance	Additions	Reductions {a}	Ending Balance	Due within One year
Serial bonds payable	<u>\$ 21,843,556</u>	<u>\$ 4,159,321</u>	<u>\$ (1,503,455)</u>	<u>\$ 24,499,422</u>	<u>\$ 1,489,134</u>
Total bonds payable	<u>\$ 21,843,556</u>	<u>\$ 4,159,321</u>	<u>\$ (1,503,455)</u>	<u>\$ 24,499,422</u>	<u>\$ 1,489,134</u>
Total other postemployment benefits	49,874,193	1,754,879	(1,945,219)	49,683,853	-
Net pension liability - ERS	3,115,808	-	(3,103,595)	12,213	-
Net pension liability - PFRS	5,460,568	-	(3,596,486)	1,864,082	-
Compensated absences	<u>3,298,980</u>	<u>191,041</u>	<u>-</u>	<u>3,490,021</u>	<u>-</u>
Long-term liabilities	<u>\$ 83,593,105</u>	<u>\$ 6,105,241</u>	<u>\$ (10,148,755)</u>	<u>\$ 79,549,591</u>	<u>\$ 1,489,134</u>

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

In March 2021, the City issued joint serial bonds with the Towns of Lenox, Lincoln, Verona, Vernon and Vienna in the amount of \$4,159,321 at 2.1250% maturing in March 2049. This financing is for the construction of the Oneida Public Library. The Library does not have authority to issue general obligation debt under the Constitution and Local Finance Law. The City was apportioned 62.8574%, or \$3,184,985 of the joint indebtedness.

Interest on all debt for the year was composed of:

Interest paid	\$ 611,004
Less: Interest accrued in the prior year	(153,312)
Plus: Interest accrued in the current year	<u>605,449</u>
Total interest expense	<u>\$ 1,063,141</u>

As of December 31, 2021, amounts due to service serial bonds payable principal and interest in future years for governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,489,134	\$ 454,502	\$ 1,943,636
2023	1,519,134	424,146	1,943,280
2024	1,239,134	390,646	1,629,780
2025	1,259,134	371,375	1,630,509
2026	1,274,134	344,682	1,618,816
2027-2031	5,860,672	1,998,666	7,859,338
2032-2036	4,080,675	946,307	5,026,982
2037-2041	3,382,405	677,238	4,059,643
2042-2046	2,470,000	391,100	2,861,100
2047-2050	<u>1,925,000</u>	<u>110,013</u>	<u>2,035,013</u>
Total	<u>\$ 24,499,422</u>	<u>\$ 6,108,675</u>	<u>\$ 30,608,097</u>

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Receivables and Payables

To improve cash management, most City disbursements are made from a pooled account in the General Fund. This cash management practice, as well as normal delays in processing interfund transfers and reimbursement, is the main reason why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year.

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

The following schedule summarizes individual fund interfund receivables and payables at December 31, 2021:

	Amount Receivable	Amount Payable
General Fund	\$ 1,498,298	\$ 992,624
Sewer Fund	200,000	-
Capital Fund	<u>992,624</u>	<u>1,698,298</u>
 Total	 <u>\$ 2,690,922</u>	 <u>\$ 2,690,922</u>

Transfers

Interfund transfers for the year ended December 31, 2021 which were routine in nature, were as follows:

	Transfers In	Transfers Out
General Fund	\$ 298,917	\$ 5,705
Water Fund	32,788	401,610
Capital Fund	1,019,220	62,113
Sewer Fund	-	515,740
Community Development Fund	97,898	447,899
Miscellaneous Special Revenue Fund	-	18,992
Police & Fire Special Revenue Fund	<u>4,141</u>	<u>905</u>
 Total	 <u>\$ 1,452,964</u>	 <u>\$ 1,452,964</u>

8. RETIREMENT PLAN

New York State Employee Retirement System (NYSERS) and Police and Fire Retirement System (NYSPFRS)

The City participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSERS. The NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSERS, the election is irrevocable.

The City also participates in the New York State and Local Police and Fire Retirement System (PFRS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSPFRS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSPFRS. The NYSPFRS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSPFRS, the election is irrevocable.

Notes to Basic Financial Statements

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 system is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The NYSERS and NYSPFRS are noncontributory except for employees who joined the NYSERS and NYSPFRS after July 27th, 1976, who contribute 3.0% 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% percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the NYSERS’ and NYSPFRS’ fiscal year ending March 31.

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

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$ 514,121	\$ 838,873
2020	\$ 503,688	\$ 838,106
2019	\$ 504,218	\$ 812,805

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

At December 31, 2021, the City reported a net pension liability of \$12,213 for its proportionate share of the NYS ERS net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021, the City's proportion was 0.0122656%.

At December 31, 2021, the City reported a net pension liability of \$1,864,082 for its proportionate share of the NYS PFRS net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021, the City's proportion was 0.1073610%.

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

For the year ended December 31, 2021, the City recognized pension expense of \$1,274,020. At December 31, 2021, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 149,158	\$ 413,630
Changes of assumptions	2,245,640	4,579,849
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	160,146	115,665
Contributions made subsequent to the measurement date	<u>442,816</u>	<u>798,573</u>
 Total	 <u>\$ 2,997,760</u>	 <u>\$ 5,907,717</u>

	<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	42,353	-
Net difference between projected and actual earnings on pension plan	3,508,392	5,481,225
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>8,056</u>	<u>291,566</u>
 Total	 <u>\$ 3,558,801</u>	 <u>\$ 5,772,791</u>

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

	<u>ERS</u>	<u>PFRS</u>
2022	\$ (152,167)	\$ (294,968)
2023	(29,626)	(69,386)
2024	(159,398)	(211,458)
2025	(662,666)	(988,203)
2026	<u>-</u>	<u>900,368</u>
 Total	 <u>\$ (1,003,857)</u>	 <u>\$ (663,647)</u>

CITY OF ONEIDA, NEW YORK

Notes to Basic Financial Statements

The City recognized \$1,241,389 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

Actuarial Assumptions

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

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.40% ERS, 6.20% PFRS, indexed by service
Investment rate of return, including inflation	5.90% compounded annually, net of investment expenses
Projected COLAs	1.40% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

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

Best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of March 31, 2021 are summarized below:

Long Term Expected Rate of Return

<u>Asset Type</u>	<u>Target Allocations in</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	32.0%	4.05
International Equity	15.0%	6.30
Private Equity	10.0%	6.75
Real Estate	9.0%	4.95
Opportunistic/ARS Portfolio	3.0%	4.50
Credit	4.0%	3.63
Real Assets	3.0%	5.95
Fixed Income	23.0%	0.00
Cash	<u>1.0%</u>	0.50
Total	<u>100.0%</u>	

Notes to Basic Financial Statements

Discount Rate

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

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

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

	1.0% Decrease (4.9%)	Current Discount (5.9%)	1.0% Increase (6.9%)
Proportionate Share of Net Pension liability (asset) – ERS	\$ 3,389,952	\$ 12,213	\$ (3,102,853)
Proportionate Share of Net Pension liability (asset) – PFRS	\$ 7,927,129	\$ 1,864,082	\$ (3,154,553)

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

	ERS	PFRS
Total pension liability	\$220,680,157	\$ 41,236,775
Net position	<u>(220,580,583)</u>	<u>(39,500,500)</u>
Net pension liability (asset)	<u>\$ 99,574</u>	<u>\$ 1,736,275</u>
Net position as a percentage of total pension liability	99.95%	95.79%

Notes to Basic Financial Statements

9. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City administers the Medical Plan to its employees under a single-employer, self-insured benefit plan. The plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the City subject to applicable collective bargaining and employee agreements. The financial information for the City's plan is contained solely within these basic financial statements.

Funding Policy

The obligations of the Plan members, employees, and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the member vary depending on the applicable agreement. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the City.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries receiving benefits	106
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	115
Total Participants	<u>221</u>

Total OPEB Liability

The City's total OPEB liability of \$49,683,853 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2020.

Changes in the Total OPEB Liability

Balance at January 1, 2021	<u>\$ 49,874,193</u>
Changes for the year -	
Service cost	749,465
Interest	1,005,414
Changes in benefit terms	-
Changes in assumptions	(286,040)
Differences between expected and actual experience	-
Benefit payments	<u>(1,659,179)</u>
Net changes	<u>(190,340)</u>
Balance at December 31, 2021	<u>\$ 49,683,853</u>

Notes to Basic Financial Statements

Changes of assumptions and other inputs reflect a change in the discount rate from 2.02% in 2020 to 2.50% in 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Discount rate 2.02% as of December 31, 2020; 2.50% as of December 31, 2021 Rates were based on an average of three 20-year bond indices.

Health Care Cost Trends

	Year	Pre-65	Post 65
Year 1	January 1, 2022	7.00%	7.00%
Ultimate Trend	January 1, 2032 & Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

Mortality Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

Retirement Rates Valuation is based on the most recent New York State Employees' Retirement System (ERS) and the New York State Police and Fire Retirement System (PFRS). ERS and PFRS tables are based on version released in 2015.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents that the total OPEB liability for the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.05%) or 1 percentage point higher (3.05%) than the current discount rate:

	1 % Decrease (1.05%)	Current Discount Rate (2.05%)	1 % Increase (3.05%)
Total OPEB Liability	\$ 60,555,460	\$ 49,683,853	\$ 41,696,225

Notes to Basic Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1 % Decrease	Current Healthcare Trend Rate	1 % Increase
Total OPEB Liability	\$ 40,940,304	\$ 49,683,853	\$ 61,650,993

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

Given the reduction in the total OPEB liability from the prior year, the City did not have a current year OPEB expense recorded in the government wide financial statement but rather a reduction in employee benefit expenses of \$190,340 for the year ending December 31, 2021.

Assets Accumulated in Trust

As of the date of the financial statement, New York State did not yet have legislation that would enable government entities to establish a qualifying trust for the purpose of funding other post employment benefits. As such, there are no assets accumulated in a trust that meets all of the criteria in *GASB Statement No. 75, Paragraph 4*.

10. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the City and its future results and financial position is not presently determinable.

11. SUBSEQUENT EVENTS

On March 31, 2022 the City renewed a Bond Anticipation note in the amount of \$47,681,282 at 2.75% maturing in March 31, 2022. This short-term financing is for the improvements of the waste water treatment plant.

CITY OF ONEIDA, NEW YORK

**Budgetary Comparison Schedule
Required Supplementary Information (Unaudited)
Budget and Actual - General Fund
For the year ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance Positive <u>(Negative)</u>
	<u>Original</u>	<u>Modified</u>		
Resources:				
Real property taxes	\$ 4,951,635	\$ 4,951,635	\$ 5,010,572	\$ 58,937
Other real property tax items	244,326	244,326	123,376	(120,950)
Non-property taxes	5,451,941	5,451,941	6,458,319	1,006,378
Departmental revenues	289,745	291,462	181,514	(109,948)
Intergovernmental charges	14,200	14,200	98,663	84,463
Tribal Compact moneys	201,000	201,000	205,165	4,165
Use of money and property	38,600	38,600	43,975	5,375
Licenses and permits	88,540	88,540	109,830	21,290
Fines and forfeitures	82,200	82,200	35,459	(46,741)
State aid	1,953,832	1,949,332	2,439,025	489,693
Federal aid	-	-	4,457	4,457
Sale of property and compensation for loss	17,500	-	105,034	105,034
Miscellaneous	500	500	2,627	2,127
	<u>13,334,019</u>	<u>13,313,736</u>	<u>14,818,016</u>	<u>1,504,280</u>
Amounts available for appropriation				
Charges to appropriations:				
General government support	1,455,673	1,644,527	2,045,409	(400,882)
Public safety	4,614,637	4,685,388	4,732,797	(47,409)
Health	60,158	61,078	46,761	14,317
Transportation	1,380,742	1,391,638	1,361,334	30,304
Culture and recreation	455,734	460,490	373,134	87,356
Home and community services	372,223	375,560	347,218	28,342
Employee benefits	4,336,246	4,316,135	4,254,085	62,050
Debt service - principal	796,217	824,968	698,000	126,968
Debt service - interest	156,369	156,369	154,656	1,713
	<u>13,627,999</u>	<u>13,916,153</u>	<u>14,013,394</u>	<u>(97,241)</u>
Total charges to appropriations				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(293,980)</u>	<u>(602,417)</u>	<u>804,622</u>	<u>1,407,039</u>
OTHER FINANCING SOURCES:				
Operating transfers from	319,692	319,692	298,917	(20,775)
Operating transfers to	(25,712)	(27,275)	(5,705)	21,570
	<u>293,980</u>	<u>292,417</u>	<u>293,212</u>	<u>795</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCE	\$ -	\$ (310,000)	\$ 1,097,834	\$ 1,407,834

See Notes to the Required Supplementary Information.

CITY OF ONEIDA, NEW YORK

Budgetary Comparison Schedule
Required Supplementary Information (Unaudited)
Budget and Actual - Water Fund
For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Modified		
Resources:				
Departmental income	\$ 3,414,051	\$ 3,414,051	\$ 4,096,408	\$ 682,357
Use of money and property	9,450	9,450	2,904	(6,546)
Sale of property and compensation for a loss	-	-	55,950	55,950
Miscellaneous	-	-	52	52
Amounts available for appropriation	<u>3,423,501</u>	<u>3,423,501</u>	<u>4,155,314</u>	<u>731,813</u>
Charges to appropriations:				
Home and community services	2,263,044	2,295,671	2,014,619	281,052
Employee benefits	603,685	602,840	518,812	84,028
Debt service - principal	388,967	388,967	350,000	38,967
Debt service - interest	<u>201,961</u>	<u>201,961</u>	<u>201,961</u>	-
Total charges to appropriations	<u>3,457,657</u>	<u>3,489,439</u>	<u>3,085,392</u>	<u>404,047</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(34,156)</u>	<u>(65,938)</u>	<u>1,069,922</u>	<u>1,135,860</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers from	20,000	20,000	32,788	12,788
Operating transfers to	<u>(2,258,802)</u>	<u>(2,267,802)</u>	<u>(401,610)</u>	<u>1,866,192</u>
Total other financing sources (uses)	<u>(2,238,802)</u>	<u>(2,247,802)</u>	<u>(368,822)</u>	<u>1,878,980</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,272,958)</u>	<u>\$ (2,313,740)</u>	<u>\$ 701,100</u>	<u>\$ 3,014,840</u>

See Notes to the Required Supplementary Information.

CITY OF ONEIDA, NEW YORK

Budgetary Comparison Schedule
Required Supplementary Information (Unaudited)
Budget and Actual - Sewer Fund
For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Modified		
Resources:				
Departmental income	\$ 3,291,372	\$ 3,291,372	\$ 2,421,696	\$ (869,676)
Use of money and property	5,040	5,040	-	(5,040)
Licenses and permits	504	504	-	(504)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>258</u>	<u>(4,742)</u>
Amounts available for appropriation	<u>3,301,916</u>	<u>3,301,916</u>	<u>2,421,954</u>	<u>(879,962)</u>
Charges to appropriations:				
Home and community services	1,557,017	1,879,305	1,785,573	93,732
Employee Benefits	357,310	356,893	330,974	25,919
Debt service - principal	377,059	386,659	351,134	35,525
Debt service - interest	<u>66,094</u>	<u>58,324</u>	<u>58,320</u>	<u>4</u>
Total charges to appropriations	<u>2,357,480</u>	<u>2,681,181</u>	<u>2,526,001</u>	<u>155,180</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>944,436</u>	<u>620,735</u>	<u>(104,047)</u>	<u>(724,782)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers from	-	-	-	-
Operating transfers to	<u>(944,436)</u>	<u>(1,137,436)</u>	<u>(515,740)</u>	<u>621,696</u>
Total other financing sources (uses)	<u>(944,436)</u>	<u>(1,137,436)</u>	<u>(515,740)</u>	<u>621,696</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (516,701)</u>	<u>\$ (619,787)</u>	<u>\$ (103,086)</u>

See Notes to the Required Supplementary Information.

CITY OF ONEIDA, NEW YORK

Required Supplementary Information (Unaudited)
 Schedule of Changes in Total OPEB Liability and Related Ratios
 For the year ended December 31, 2021

	Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 749,465	\$ 734,674	\$ 386,242	\$ 305,810						
Interest	1,005,414	949,543	1,360,962	1,472,835						
Changes of benefit terms	-	-	-	-						
Differences between expected and actual experience	-	-	-	-						
Changes in assumptions	(286,040)	2,107,746	8,862,478	-						
Benefit payments	(1,659,179)	(1,849,650)	(1,490,066)	(1,462,737)						
Total change in total OPEB liability	(190,340)	1,942,313	9,119,616	315,908						
Total OPEB liability - beginning	49,874,193	47,931,880	38,812,264	38,496,356						
Total OPEB liability - ending	\$ 49,683,853	\$ 49,874,193	\$ 47,931,880	\$ 38,812,264						
Covered-employee payroll	\$ 6,911,728	\$ 6,911,728	\$ 6,405,602	\$ 6,405,602						
Total OPEB liability as a percentage of covered-employee payroll	718.8%	721.6%	748.3%	605.9%						

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions: Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.50%	2.02%	2.90%	3.90%
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Plan assets: No assets are accumulated in a trust that meets all of the criteria of GASB Statement No. 75, paragraph 4 to pay benefits.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

CITY OF ONEIDA, NEW YORK

Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Net Pension Liability (Asset)
 For the year ended December 31, 2021

	Last 10 Fiscal Years									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:										
Proportion of the net pension liability (asset)	0.0122656%	0.0117664%	0.0109178%	0.0111564%	0.0114157%	0.0111832%	0.0012297%			
Proportionate share of the net pension liability (asset)	\$ 12,213	\$ 3,115,808	\$ 773,558	\$ 360,065	\$ 1,072,640	\$ 1,794,936	\$ 415,434			
Covered-employee payroll	3,768,068	3,749,843	3,617,137	3,502,170	3,442,685	3,054,725	3,243,110			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.32%	83.09%	21.39%	10.28%	31.16%	58.76%	12.81%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			
NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN:										
Proportion of the net pension liability (asset)	0.1073610%	0.1021634%	0.0996440%	0.1020214%	0.1046571%	0.1080690%	0.1086180%			
Proportionate share of the net pension liability (asset)	\$ 1,864,082	\$ 5,460,568	\$ 1,671,094	\$ 1,031,189	\$ 2,169,177	\$ 3,199,691	\$ 299,157			
Covered-employee payroll	4,022,477	3,857,794	3,804,606	3,692,721	3,491,800	3,230,831	3,270,342			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.34%	141.55%	43.92%	27.92%	62.12%	99.04%	9.15%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.79%	84.86%	95.09%	96.93%	93.46%	90.20%	99.00%			

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

CITY OF ONEIDA, NEW YORK

Required Supplementary Information (Unaudited)
 Schedule of Contributions - Pension Plans
 For the year ended December 31, 2021

	Last 10 Fiscal Years									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:										
Contractually required contribution	\$ 514,121	\$ 503,688	\$ 504,218	\$ 508,224	\$ 505,200	\$ 557,773	\$ 544,656			
Contributions in relation to the contractually required contribution	<u>(514,121)</u>	<u>(503,688)</u>	<u>(504,218)</u>	<u>(508,224)</u>	<u>(505,200)</u>	<u>(557,773)</u>	<u>(544,656)</u>			
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Covered-employee payroll	3,768,068	3,749,843	3,617,137	3,502,170	3,442,685	3,355,870	3,054,725			
Contributions as a percentage of covered-employee payroll	13.64%	13.43%	13.94%	14.51%	14.67%	16.62%	17.83%			
NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN:										
Contractually required contribution	\$ 838,873	\$ 838,106	\$ 812,805	\$ 790,766	\$ 744,416	\$ 802,885	\$ 752,885			
Contributions in relation to the contractually required contribution	<u>(838,873)</u>	<u>(838,106)</u>	<u>(812,805)</u>	<u>(790,766)</u>	<u>(744,416)</u>	<u>(802,885)</u>	<u>(752,885)</u>			
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Covered-employee payroll	4,022,477	3,857,794	3,804,606	3,692,721	3,491,800	3,351,258	3,230,831			
Contributions as a percentage of covered-employee payroll	20.85%	21.73%	21.36%	21.41%	21.32%	23.96%	23.30%			

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

See Notes to the Required Supplementary Information.

Notes to the Required Supplementary Information (Unaudited)

1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

No later than October 31st of each year, the Mayor submits a tentative budget to Common Council for the

- 1) fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the City.

After public hearings are conducted to obtain taxpayer comments, the Common Council adopts the

- 2) budget. Appropriations established by the budget constitute a limitation on expenditures which may be incurred.

- 3) All modifications of the budget must be approved by the City Board and all appropriations lapse at fiscal year-end.

- 4) Legally adopted budgets include the General Fund, Water Fund and the Sewer Fund.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States. Budgetary comparisons presented in this report are on a GAAP basis and represent the budget as modified.

CITY OF ONEIDA, NEW YORK
Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2021

	Community Development <u>Fund</u>	Debt Service Library <u>Fund</u>	Miscellaneous Special Revenue <u>Fund</u>	Police & Fire Special Revenue <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS					
Unrestricted cash & cash equivalents	\$ -	\$ -	\$ 129,861	\$ -	\$ 129,861
Restricted cash	266,553	169,689	-	18,762	455,004
Loans receivable	81,841	-	-	-	81,841
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>400</u>
 Total assets	 <u>\$ 348,394</u>	 <u>\$ 169,689</u>	 <u>\$ 129,861</u>	 <u>\$ 19,162</u>	 <u>\$ 667,106</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,832	\$ -	\$ 1,832
Unearned grant revenue	<u>81,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,841</u>
 Total liabilities	 <u>81,841</u>	 <u>-</u>	 <u>1,832</u>	 <u>-</u>	 <u>83,673</u>
Fund balances:					
Restricted	<u>266,553</u>	<u>169,689</u>	<u>128,029</u>	<u>19,162</u>	<u>583,433</u>
 Total fund balances	 <u>266,553</u>	 <u>169,689</u>	 <u>128,029</u>	 <u>19,162</u>	 <u>583,433</u>
 Total liabilities and fund balances	 <u>\$ 348,394</u>	 <u>\$ 169,689</u>	 <u>\$ 129,861</u>	 <u>\$ 19,162</u>	 <u>\$ 667,106</u>

CITY OF ONEIDA, NEW YORK
Supplementary Information
Statement of Revenues, Expenditures, and Change in Fund Balances - Nonmajor Governmental Funds
For the year ended December 31, 2021

	Community Development Fund	Debt Service Library Fund	Miscellaneous Special Revenue Fund	Police & Fire Special Revenue Fund	Total Nonmajor Governmental Funds
REVENUES:					
Real property taxes	\$ -	\$ -	\$ 43,465	\$ -	\$ 43,465
Departmental income	17,901	-	11,555	-	29,456
Use of money and property	97	681	-	-	778
Intergovernmental revenue	-	387,051	-	-	387,051
Miscellaneous	-	-	-	15,021	15,021
Total revenues	17,998	387,732	55,020	15,021	475,771
EXPENDITURES:					
Public safety	-	-	-	13,118	13,118
Home and community services	3	313,826	11,418	-	325,247
Debt service - principal	-	104,321	-	-	104,321
Debt service - interest	-	196,067	-	-	196,067
Total expenditures	3	614,214	11,418	13,118	638,753
EXCESS OF REVENUES OVER EXPENDITURES	17,995	(226,482)	43,602	1,903	(162,982)
OTHER FINANCING SOURCES (USES):					
Proceeds from the issuance of debt	-	4,159,321	-	-	4,159,321
Interfund transfers in	97,898	-	-	4,141	102,039
Interfund transfers out	(447,899)	-	(18,992)	(905)	(467,796)
Total other uses	(350,001)	4,159,321	(18,992)	3,236	3,793,564
CHANGE IN FUND BALANCE	(332,006)	3,932,839	24,610	5,139	3,630,582
FUND BALANCE - beginning of year	598,559	(3,763,150)	103,419	14,023	(3,047,149)
FUND BALANCE - end of year	\$ 266,553	\$ 169,689	\$ 128,029	\$ 19,162	\$ 583,433

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*

May 12, 2022

To the Common Council of
City of Oneida, New York

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Oneida, New York (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 12, 2022. In our report on the financial statements, we issued an adverse opinion on the discretely presented component unit because the Oneida Public Library was excluded from the City's financial statements. All other opinion units were issued unmodified opinions.

Report On Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Oneida, New York's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on the response.

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.

CITY OF ONEIDA, NEW YORK

Schedule of Findings

For the year ended December 31, 2021

Part II Financial Statement Findings

Reference: 2021-001

Prior year audit finding number: 2020-001

Criteria:

Internal controls should be properly designed, documented and implemented to ensure consistent methods of payment application on delinquent balances as well as the timeliness of the tax sale certificate and properties acquired for taxes.

Cause/Condition:

The City Charter is not updated to reflect current practices. In addition, it appears that there were instances where the methods used to apply payments received on delinquent properties were not always consistent.

Effect:

Properties may not be acquired by the City within the two years as noted by the Charter causing the property to remain delinquent. In addition, properties acquired are not being put up for sale or auctioned to get the property back on the tax roll in a reasonable amount of time. Lastly, due to current practices, management is not always able to easily identify which tax year(s) the delinquent balances due pertain to.

Recommendation:

We recommend the City update the Charter to clearly define the policies for tax sale certificates and properties acquired for taxes. We also recommend that the City review its current methods for applying payments received on delinquent balances. Management should ensure payments received are first applied to the oldest balances past due. In addition, management should enforce these policies as written in the Charter.

Management's Response:

Due to an ongoing investigation of the Chamberlain's office, the current elected Chamberlain has decided to wait until the investigation is complete before moving forward with the steps outlined in the Charter and/or updating any policies related to delinquent tax collection. Once the results of the investigation have been communicated to the City, management fully intends on implementing policy to address the processing of delinquent tax collection.

CITY OF ONEIDA, NEW YORK

Schedule of Findings

For the year ended December 31, 2021

Reference: 2021-002

Criteria:

A monthly cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly, and to discover bank errors if/when applicable.

Cause/Condition:

The City launched a new accounting software during 2019. As part of this migration to a new software, procedures and related controls over pooled cash account transactions and the bank reconciliation process changed. The bank account balance is now reconciled to a general ledger balance that is comprised of 0999 control accounts that do not necessarily agree to the operating cash ledger accounts in the trial balance.

Effect:

Immaterial differences exist between the reconciled general ledger balance per the bank reconciliation with that of the operating cash ledger accounts in the trial balance as of December 31, 2021. As a result, the monthly financial reporting that includes the bank reconciliations are not meaningful without agreement to the trial balance. Although nothing came to our attention indicating as such, errors could occur in which will not be identified.

Recommendation:

Although the Comptroller's Office has reported this very concern to the third party accounting software administrator, we encourage management express the importance of this being resolved as quickly as possible. As the Comptroller's Office is aware and has reported to the third party accounting software administrator, it is imperative that each bank account be reconciled to the penny to each corresponding cash ledger account(s) within the trial balance. Once this issue is resolved, if any remaining differences remain, they should be investigated and resolved immediately.

Management's Response:

The Comptroller's office is aware of the issue outlined above and has been able to identify it as an issue stemming back to the conversion of the data. Repeated attempts for Tyler Technologies to correct the issue they created, have proven to be unsuccessful. It is our belief that Tyler Technologies is unable to fully comprehend the problem at hand. The Comptroller intends to pinpoint the exact transactions Tyler Technologies duplicated in the conversion and correct the issue internally. We feel the current bank reconciliations are processed effectively to confirm monthly cash reconciliations and once the conversion issue is resolved, the general ledger will balance correctly to the trial balance.