

**CITY OF SYRACUSE, NEW YORK**

**Financial Statements as of  
June 30, 2020**

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

**Bonadio & Co., LLP**  
Certified Public Accountants

# CITY OF SYRACUSE, NEW YORK

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June 30, 2020

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**INDEPENDENT AUDITOR'S REPORT**

February 10, 2021

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council  
City of Syracuse, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (nonmajor funds and fiduciary funds) of the City of Syracuse, New York (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation and Syracuse Regional Airport Authority, which represent 95% of the assets, 93% of the net position and 90% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (nonmajor funds and fiduciary funds) of the City of Syracuse, New York, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Statements, Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Syracuse, New York's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above and the reports of the other auditors, the combining fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the City of Syracuse, 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 Syracuse, New York's internal control over financial reporting and compliance.

## **CITY OF SYRACUSE, NEW YORK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020**

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Our discussion and analysis of City of Syracuse's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020.

Please read it in conjunction with the City's basic financial statements, including the notes to the financial statements, which begin on page 31. In this discussion and analysis, all amounts are expressed in thousands of dollars, unless otherwise indicated.

#### **FINANCIAL HIGHLIGHTS**

- At the end of the fiscal year, the total liabilities and deferred inflows of \$2,586,931 exceeded total assets and deferred outflows of \$1,774,973 resulting in a deficit of \$811,959 (total net position).
- Total net position at June 30, 2020 consisted of a negative unrestricted deficit of \$1,532,958 which is partially offset by positive net position balances of \$539,898 of net investment in capital assets and \$181,102 of restricted net position.
- Total general and program revenues for the fiscal year ended June 30, 2020 were \$802,987 compared to total expenses of \$730,589 resulting in an increase to total net position of \$72,398 as a result of this year's operations.
- For fiscal year 2020, total revenues and expenses for governmental activities were \$773,578 and \$710,732, respectively. For the same period, total revenue and expenses for business-type activities were \$29,409 and \$19,857, respectively.
- General Fund's revenues (including operating transfers in) were \$222,248 for the fiscal year while General Fund expenditures (including operating transfer out) were \$232,979 causing a decrease of \$9,891 in the General Fund's fund balance.
- The total fund balance for the General Fund at June 30, 2020 is \$42,109, and of that total, \$32,676 is unassigned. The unassigned fund balance of the General Fund as a percentage of total General Fund 2020 expenditures (including operating transfer out) is 14.0%.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 17 and 18 provide information about the activities of the City as a whole and present a longer-term view of the City's finances from a government-wide perspective. Fund financial statements start on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

#### **Reporting the City as a Whole**

Our analysis of the City as a whole begins on page 6. This section attempts to illustrate whether the City's financial position is improving or deteriorating as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that allows the user to determine if the City's financial condition has improved or deteriorated in comparison with the previous fiscal year. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes to it. The City's net position is the difference between assets (what the citizens own) and liabilities (what the citizens owe) which serves as one

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

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way to measure the City's financial health. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base, and the condition of the City's capital assets (streets, buildings, and water and sewer lines) to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three types of activities:

- **Governmental activities** - These include the majority of City's basic service, such as police, fire, public works, community development, urban development and parks & recreation departments, and general administration. The City School District's operations are also reported here. These activities are primarily supported by taxes and intergovernmental revenues.
- **Business-type activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. Charges for these services are intended to allow the service to be self-supporting. The City's water and sewer systems are the business-type activities.
- **Component units** - The City includes four separate legal entities in its report: the Syracuse Industrial Development Agency, the Syracuse Economic Development Corporation, the Syracuse Regional Airport Authority and the Greater Syracuse Property Development Corporation.

#### Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 11. The fund financial statements begin on page 19 and provide detailed information about the most significant funds – not the City as a whole.

Some funds are required to be established by State law. Additionally, the City Council establishes other funds for specific purposes (i.e. the Local Development Fund), or to fulfill legal and contractual responsibilities for the use of certain taxes, grants, and other money (i.e. grants received from the U.S. Department of Housing and Urban Development). All funds of the City can be separated into three categories: governmental, proprietary, and fiduciary.

- **Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine the amount of financial resources that can be spent in the near future to finance the City's programs. We describe the relationship and differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation accompanying the fund financial statements.
- **Proprietary funds** - When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

- *Fiduciary funds* – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the City cannot use these assets to finance the City's operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 27 and 28. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities

#### Government-wide Analysis

The City's total net position increased from a deficit balance of \$884,356 at June 30, 2019 to a deficit \$811,959 at June 30, 2020. The following analysis focuses on *Table 1 – Condensed Statement of Net Position – Primary Government* of the City's governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 515,302	\$ 489,504	\$ 19,449	\$ 18,712	\$ 534,751	\$ 508,215
Capital assets	849,506	778,364	112,404	113,979	961,909	892,344
Total assets	<u>1,364,808</u>	<u>1,267,868</u>	<u>131,853</u>	<u>132,691</u>	<u>1,496,661</u>	<u>1,400,559</u>
Total deferred outflows of resources	<u>271,940</u>	<u>149,047</u>	<u>6,372</u>	<u>1,549</u>	<u>278,312</u>	<u>150,596</u>
Total bonds payable	533,523	455,052	55,948	59,223	589,471	514,276
Other long-term liabilities	979,345	1,588,090	38,780	65,670	1,018,125	1,653,760
Other liabilities	164,778	172,724	1,660	1,877	166,438	174,601
Total liabilities	<u>1,677,645</u>	<u>2,215,866</u>	<u>96,389</u>	<u>126,771</u>	<u>1,774,034</u>	<u>2,342,637</u>
Total deferred inflows of resources	<u>782,851</u>	<u>90,467</u>	<u>30,047</u>	<u>2,407</u>	<u>812,898</u>	<u>92,874</u>
Net invested in capital assets	483,443	468,121	56,456	54,756	539,898	522,877
Restricted	180,627	153,754	474	474	181,102	154,228
Unrestricted (deficit)	<u>(1,487,818)</u>	<u>(1,511,294)</u>	<u>(45,141)</u>	<u>(50,168)</u>	<u>(1,532,958)</u>	<u>(1,561,462)</u>
Total net position	<u>\$ (823,748)</u>	<u>\$ (889,418)</u>	<u>\$ 11,789</u>	<u>\$ 5,062</u>	<u>\$ (811,959)</u>	<u>\$ (884,356)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest positive balance of the City's total net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure); less any related debt still outstanding that was used to acquire those assets. At June 30, 2020, this balance was \$539,898 versus \$522,877 at June 30, 2019. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities.

The other positive balance of \$181,102 at June 30, 2020, represents resources that are subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position, unrestricted net position may be used to meet the government's ongoing obligations and

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

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services to creditors and citizens, especially in the future. For the City, the balance of unrestricted net position as of June 30, 2020 was a deficit of \$1,532,958, versus a deficit at June 30, 2019 of \$1,561,462. The primary cause for the deficit is the requirement that municipalities report a liability for the unfunded cost of providing post-employment benefits to employees. For the City, this represents the probable cost of providing subsidized health insurance for retirees combined with the potential for currently active employees to receive this benefit. This calculation was performed by an independent actuarial firm to arrive at a potential total liability for the potential benefit to be paid out based on the life expectancy of the present retired and active employee pool. This figure represents the total estimated cost of providing the benefit to all employees over many years. The amount reported for this liability at June 30, 2020 was \$718,668 and related deferred inflows of resources and deferred outflows of resources were \$748,492 and \$57,830, respectively.

#### Governmental Activities

Total net position of the City's governmental activities increased from a deficit balance of \$889,418 at June 30, 2019 to a deficit balance of \$823,748 at June 30, 2020, an increase of \$65,670. The deficit in unrestricted net position increased \$23,476 from a deficit of \$1,511,294 at June 30, 2019 compared to the current fiscal year-end deficit of \$1,487,818.

#### Business-Type Activities

In fiscal year 2020, total net position of City's business-type activities increased by \$6,727 with \$5,028 of that increase in unrestricted net position. Total net position increased to \$11,789 at June 30, 2020 compared to \$5,062 at prior year-end while the unrestricted deficit balance for business-type activities increased to a deficit balance of \$45,141 from a deficit balance of \$50,168 over the same period.

#### Government-wide Analysis

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on page 18. Key elements of this change are illustrated in *Table 2 - Condensed Statement of Activities - Primary Government* on the previous page.

For the current year, total revenues were \$802,987 which was a decrease of \$66,486, or 7.6%, compared to prior year total revenues of \$869,473. The primary program and general revenue decreases, compared to prior year revenue balances, that contributed to this decline were:

- \$59,760, or 81.3%, in Capital grants and contributions
- \$7,586, or 7.6% in Operating grants and contributions
- \$3,242, or 3.6% in Sales and use taxes
- \$2,245, or 3.7% in Fees, fines, and charges

These revenue decreases were partially offset by an increase in unallocated state aid of \$9,065, or 2.1%, compared to prior year. Small year over year differences in the remaining general revenues comprise the remaining decrease of \$2,718 in the current year.

For the current year, total expenses were \$730,589 which was a decrease of \$104,753, or 12.5%, compared to prior year total expenses of \$835,342. The primary program expense decreases, compared to prior year expense balances, that contributed to this decline were:

- \$46,198, or 9.3%, in Education

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2020**

- \$17,038, or 9.6%, in Public Safety
- \$12,054, or 39.0%, in General government support
- \$11,818, or 34.2%, in Transportation
- \$9,860, or 70.8%, in Culture and recreation
- \$4,437, or 11.0%, in Home and community services

Small year over year differences in the remaining program expenses comprise the remaining decrease of \$3,351 in the current year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Revenue:</b>						
<b>Program Revenues:</b>						
Fees, fines, and charges	\$ 29,213	\$ 32,363	\$ 28,415	\$ 27,510	\$ 57,628	\$ 59,873
Operating grants and contributions	92,564	100,150	-	-	92,564	100,150
Capital grants and contributions	12,771	71,811	992	1,711	13,763	73,523
<b>General Revenues:</b>						
Property taxes and tax items	101,132	101,677	-	-	101,132	101,677
Sales and use taxes	86,103	89,345	-	-	86,103	89,345
Other taxes	3,851	4,696	-	-	3,851	4,696
Unallocated state aid	433,663	424,597	-	-	433,663	424,597
Unallocated federal aid	1,758	2,422	-	-	1,758	2,422
Use of money and property	2,156	3,846	3	5	2,159	3,851
Contributions	-	-	-	-	-	-
Miscellaneous	10,366	9,338	-	-	10,366	9,338
<b>Total revenues</b>	<b>773,578</b>	<b>840,246</b>	<b>29,409</b>	<b>29,227</b>	<b>802,987</b>	<b>869,473</b>
<b>Expenses:</b>						
<b>Program Expenses:</b>						
General government support	18,847	30,901	-	-	18,847	30,901
Public safety	160,242	177,280	-	-	160,242	177,280
Transportation	22,749	34,565	-	-	22,749	34,565
Economic opportunity and development	(868)	986	-	-	(868)	986
Home and community services	36,070	40,507	-	-	36,070	40,507
Culture and recreation	4,066	13,926	-	-	4,066	13,926
Education	451,240	497,438	-	-	451,240	497,438
Interest on long-term debt	18,386	15,938	-	-	18,386	15,938
Water	-	-	15,328	18,727	15,328	18,727
Sewer	-	-	4,529	5,075	4,529	5,075
<b>Total expenses</b>	<b>710,732</b>	<b>811,540</b>	<b>19,857</b>	<b>23,802</b>	<b>730,589</b>	<b>835,342</b>
Excess (deficiencies) of revenues over expenses	62,845	28,706	9,552	5,425	72,398	34,131
Transfers	2,825	2,825	(2,825)	(2,825)	-	-
Change in net position	65,670	31,531	6,727	2,600	72,398	34,131
Net position (deficit) - beginning	(889,418)	(920,949)	5,062	2,462	(884,356)	(918,487)
Net position (deficit) - ending	<u>\$ (823,748)</u>	<u>\$ (889,418)</u>	<u>\$ 11,789</u>	<u>\$ 5,062</u>	<u>\$ (811,959)</u>	<u>\$ (884,356)</u>

Total revenues for the current year were in excess of total expenses resulting in a positive change in net position of \$72,398 compared to a positive change in net position of \$34,131 for the prior year, an increase of \$38,267. Our following analysis separately considers the operations of governmental and business-type activities.

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

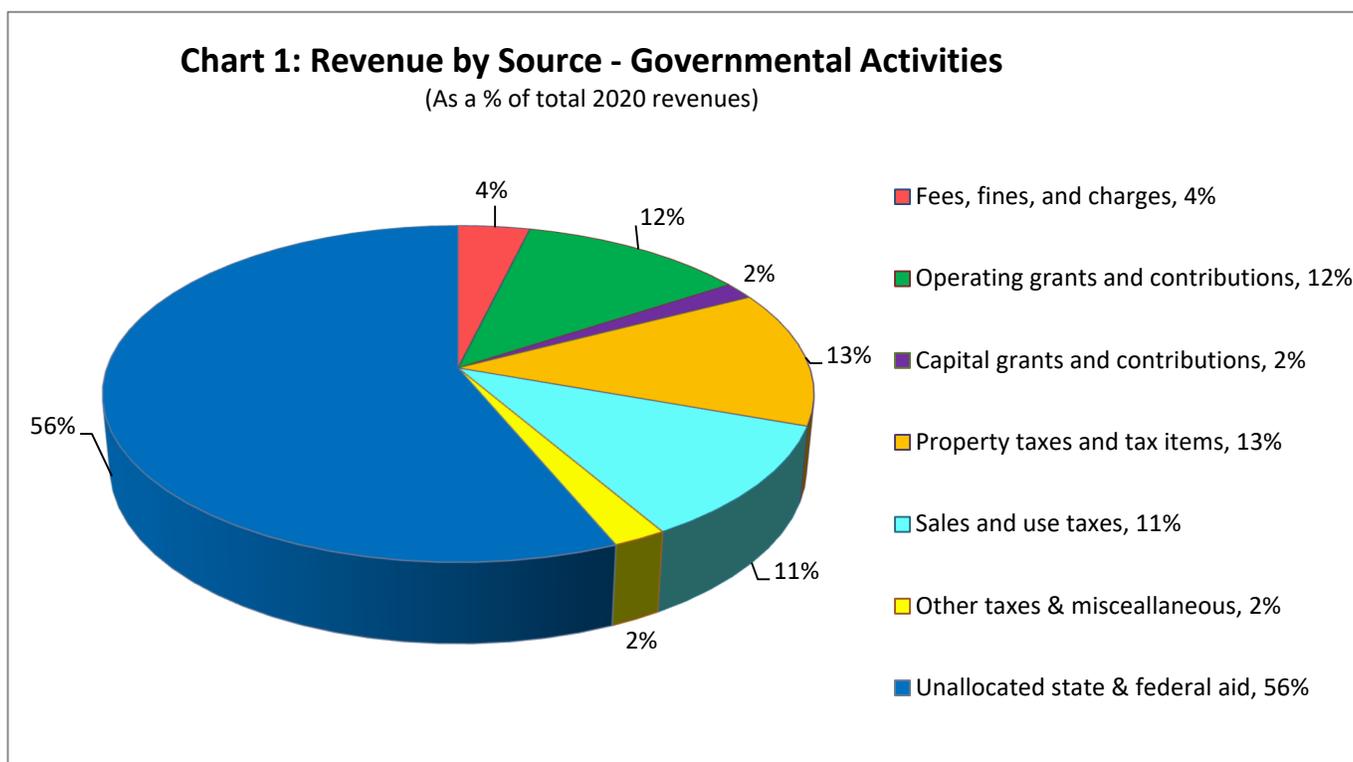
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#### Governmental Activities

As mentioned previously in the FINANCIAL HIGHLIGHTS section, revenues for the City's governmental activities for the current year were \$773,578 compared to total revenues of \$840,246 in the prior year, a decrease of \$66,668, or 7.9%. The primary program and general revenue decreases, compared to prior year revenue balances, that contributed to this decline were:

- \$59,040, or 82.2%, in Capital grants and contributions
- \$7,586, or 7.6% in Operating grants and contributions
- \$3,242, or 3.6% in Sales and use taxes
- \$3,150, or 9.7% in Fees, fines, and charges

These revenue decreases were partially offset by an increase in unallocated state aid of \$9,065, or 2.1%, compared to prior year. Small year over year differences in the remaining general revenues comprise the remaining decrease of \$2,716 in the current year. See *Chart 1: Revenue by Source – Governmental Activities* for the each major revenue source as a percentage of total revenues for the current year.



For the current year, total program expenses for governmental activities were \$710,732 which was a decrease of \$100,808, or 12.4%, compared to prior year total expenses of \$811,540. The primary program expense decreases, compared to prior year expense balances that contributed to this decline were:

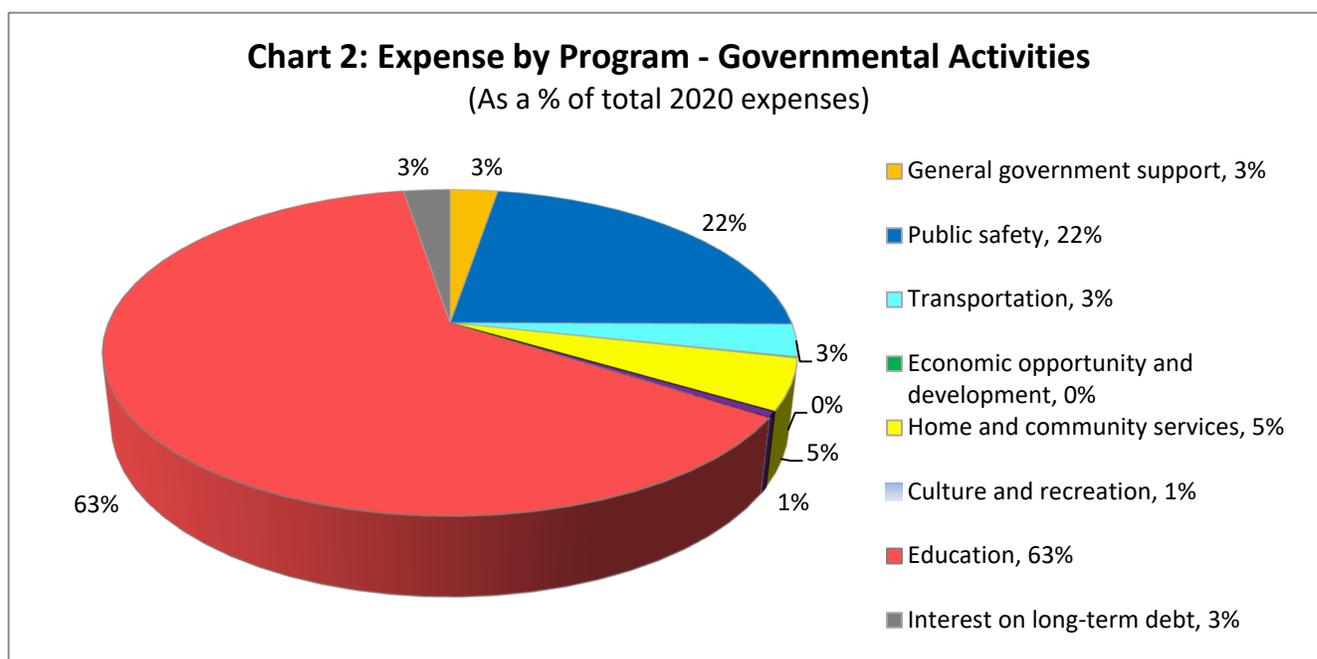
- \$46,198, or 9.3%, in Education
- \$17,038, or 9.6%, in Public Safety
- \$12,054, or 39.0%, in General government support
- \$11,815, or 34.2%, in Transportation

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

- \$9,860, or 70.8%, in Culture and recreation
- \$4,437, or 11.0%, in Home and community services

Other small year over year differences of \$595 comprise the remaining balance partially offsetting these decreases. See *Chart 2: Expense by Program – Governmental Activities* for the each major program expense as a percentage of total expenses for the current year.



Total revenues for governmental activities in the current year were in excess of total governmental activities expenses resulting in a positive change in net position (after transfers) of \$65,670 compared to a positive change in net position (after transfers) of \$31,531 for the prior year, an increase of \$34,140.

#### Business-Type Activities

For the current year, total revenues for business-type activities were \$29,409 which was a small increase of \$182, or 0.6%, compared to total revenues of \$29,227 in the prior year. Fees, fines, and charges increased \$904, or 3.3%, in the current year while capital grants and contributions decreased \$720, or 42.1%, compared to prior year.

For the current year, total program expenses for business-type activities were \$19,857 which was a decrease of \$3,946, or 16.6%, compared to prior year total expenses of \$23,802. Water and sewer expenses decreased \$3,400, or 18.2%, and \$546, 10.8%, respectively, in the current year compared to prior year.

Total revenues for business-type activities in the current year were in excess of total business-type activities expenses resulting in a positive change in net position (after transfers) of \$6,727 compared to a positive change in net position (after transfers) of \$2,600, an increase of \$4,128.

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

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

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**Governmental Funds** - As noted earlier the focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending as of the end of the fiscal year.

At June 30, 2020, the City's Total Governmental Funds' fund balance is \$306,467, which is a 7.4% increase from last year's total of \$285,140. The \$21,326 increase in total fund balance is primarily due to:

- \$14,711 increase in Joint Schools Construction Board Fund
- \$12,301 increase in Special Revenue - City School District General Fund
- \$4,528 increase in Non-major Governmental Funds

These increases in Total Governmental Funds' fund balance are partially offset by the:

- \$9,891 decrease in General Fund
- \$323 decrease in Special Revenue - City School District Special Aid Fund

Of the total \$306,467 in Total Governmental Funds' fund balance, \$32,677 of fund balance is available for spending at the government's discretion (unassigned fund balance). \$180,627 of fund balance is subject to external, legally enforceable restrictions on its use (restricted) while \$90,602 is allocated by ordinance or through intent to be used for specific purposes (committed and assigned). The remainder of \$2,561 is non-spendable. This includes inventories, prepaid items and bequests that must remain intact.

- *General Fund* - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$32,677, while total fund balance was \$42,110. As a measure of the General Fund's liquidity, it's useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For the current year, unassigned fund balance as a percentage of total General Fund expenditures (including operating transfers out) of \$232,979 is 14.0% while the General Fund's total fund balance represents 17.6% of that same amount. The City's General Fund's fund balance decreased by \$9,891 during the current year. The adopted budget for the fiscal year ended June 30, 2020, budgeted a net deficiency of \$7,773, or a draw of that amount from the General Fund's unassigned fund balance to balance higher budgeted expenditures against lower budgeted revenues. An analysis of the variance is presented in the section following titled General Fund Budgetary Highlights.
- *Joint Schools Construction Board Fund* - The Joint Schools Construction Board Fund is a School District Fund that accounts for activities relating to the refurbishment of educational facilities in the City of Syracuse. The Joint Schools Construction Board was formed through an agreement between the City of Syracuse and the Syracuse City School District to administer the activities of this project. The entire balance is reserved for the purposes of this project and is not available for appropriation for any other purpose. The revenue for this fund is provided by bond proceeds and interest paid on the unspent proceeds. A decline in fund balance reflects the spending of bond proceeds to repair schools and conversely, an increase indicates that bond proceeds exceeded amounts spent in the current year.
- *Special Revenue - City School District General and Special Aid Funds* - The Special Revenue funds (City School District General Fund and City School District Special Aid Fund) are comprised of the School District's general operating fund and the special aid fund. The combined total fund balance at the end of the current year was \$74,382 compared to a combined total fund balance of \$62,403 in the prior year. The increase of \$11,979 in fund balance for the two Special Revenue funds in the current

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

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year is due to higher total revenues (including other financing sources) of \$507,941 compared to lower expenditures (including other financing uses) of \$495,963.

- *Capital Projects Fund* - The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases, excluding projects related to business-type activities, which are accounted for in each business-type activity. At the end of the current fiscal year, the fund balance was \$44,034. The entire balance of the fund is required to be used in the completion of City and School District capital projects. The Capital Projects Fund is treated as a non-major government fund effective fiscal year 18-19.
- *Neighborhood and Business Development Special Revenue Fund* - The Neighborhood and Business Development Fund is a special revenue fund used to account for the community development programs and projects primarily funded by the U.S. Department of Housing and Urban Development. The fund accounts for its revenue and expenditures using grant accounting; therefore, revenues are accrued as the expenditures are incurred. During the current year, the fund recorded \$8,754 in both revenues and expenditures while the fund recorded \$7,484 in the prior fiscal year for revenues and expenditures. At June 30, 2020, total assets of the fund were \$17,137 and total liabilities were \$17,137. At the end of the previous fiscal year, total assets and total liabilities were \$16,391.

**Proprietary Funds** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Included in the City's proprietary funds are two enterprise funds which consist of the Water and Sewer Funds. The net position of the enterprise funds at the end of the current year totaled \$11,789, an increase of \$6,727, compared to the prior year end balance of \$5,062. For the current year, the Water and Sewer Funds had an increase in net position \$6,236 and \$492, respectively.

**Internal Service Fund** --- The Aviation Fund is treated as an Internal Service Fund effective with fiscal year 18-19. Net position at June 30, 2020 was \$111,234, a decrease of \$10,191 from the prior year-end.

#### General Fund Budgetary Highlights

According to the City Charter, the City must adopt its budget no later than May 8 of each year for the ensuing fiscal year beginning on July 1. The City's General Fund original budget for the fiscal year ended June 30, 2020, included estimated revenues and annual appropriations of \$252,526.

During the course of the year, the City's General Fund budget was amended to reflect additional revenues and additional appropriations for various small items, resulting in a final, revised budget of \$252,526, utilizing \$7,773 of fund balance. Please refer to page 79 for the Statement of Revenues, Expenditures and Encumbrances – Budget and Actual (Budgetary Basis) for presentation of the General Fund original budget and final budget. See *Table 3 – General Fund – Condensed Budget to Actual* for summary budget to actual information for the General Fund.

The actual performance of the General Fund resulted in a deficit for the current year of \$9,891, as compared to a final adopted budget with a projected deficit of \$7,773. This unfavorable variance of \$2,118 was driven by a number of decreases in projected revenues offset by decreases in budgeted expenditures.

For the current year, total General Fund revenues were \$219,423 which was \$22,505, or 9.3%, lower than the budgeted total revenues for 2020 of \$241,928. The primary revenues with unfavorable variances, compared to the current year budget, were:

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

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- \$9,223, or 11.9%, in Federal and state aid and other grants
- \$7,504, or 8.1% in Sales and use taxes
- \$5,491, or 12.1%, in General property taxes and tax items

Offsetting favorable and unfavorable variances for the other revenues, compared to the budget, comprise the remaining unfavorable variance of \$277.

	<u>2020</u> <u>Actual</u>	<u>2020</u> <u>Budget</u>
Total revenues	\$ 219,423	\$ 241,928
Total expenditures	<u>213,144</u>	<u>231,025</u>
Excess (deficiency) of revenues over expenditures	<u>6,280</u>	<u>10,903</u>
Other financing sources	840	-
Operating transfers in	2,825	2,825
Operating transfers out	<u>(19,835)</u>	<u>(21,501)</u>
Total other financing sources (uses)	<u>(16,171)</u>	<u>(18,676)</u>
Change in fund balance	<u>\$ (9,891)</u>	<u>\$ (7,773)</u>

For the current year, total General Fund expenditures were \$213,144 which was \$17,881, or 7.7%, lower than the budgeted total expenditures for 2020 of \$231,025. The primary expenditures with favorable variances, compared to the current year budget, were:

- \$9,734, or 6.4%, in Public Safety
- \$4,833, or 16.1%, in General government support
- \$2,306, or 18.9%, in Culture and recreation

Offsetting favorable and unfavorable variances for the other expenditures, compared to the budget, comprise the remaining favorable variance of \$1,009.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities for the current year-end was \$961,909 compared with the previous year-end amount of \$892,344. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress.

The City's governmental capital assets (net of accumulated depreciation) at June 30, 2020 were \$849,506 compared to \$778,364 at prior year-end. For the City's business-type activities, Net capital assets at June 30, 2020 were \$112,404 compared to a balance of \$113,979 at the end of the prior year.

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2020**

Please refer to Note 4 in the notes to the basic financial statements for more detailed information regarding capital assets and accumulated depreciation.

Expenses related to capital assets which are constructed over more than one fiscal year are capitalized each fiscal year as “construction in progress” and are not depreciated. Upon completion of construction of a particular capital asset , the total for the asset is reclassified from construction in progress to its proper depreciable category (i.e. buildings, machinery and equipment, improvements/infrastructure). See *Table 4 – Capital Assets (net of depreciation)* for summary information for the City’s capital assets.

	Governmental Activities		Business-type Activities		Total Primary	
	2020	2019	2020	2019	2020	2019
Land	\$ 18,768	\$ 18,768	\$ 4,485	\$ 4,485	\$ 23,253	\$ 23,253
Buildings	390,777	398,682	638	682	391,415	399,364
Machinery and equipment	24,284	25,468	2,075	2,660	26,359	28,128
Improvements/infrastructure	204,533	173,738	97,809	99,158	302,342	272,897
Construction in progress	211,144	161,709	7,397	6,994	218,541	168,702
Total capital assets, net	<u>\$849,506</u>	<u>\$778,364</u>	<u>\$112,404</u>	<u>\$113,979</u>	<u>\$961,909</u>	<u>\$892,344</u>

**Long-Term Debt**

At the end of the current year, the City had \$661,535 in total debt compared to \$579,876 at the end of the prior year, an increase of \$81,658, or 14.1%. See *Table 5 – Outstanding Debt – Primary Government* below for a breakdown of bonds and notes by governmental activities and business-type activities.

With respect to City general obligation bonds, total new debt issued during the year was \$15,020. Proceeds

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds payable - City	\$147,945	\$147,653	\$30,033	\$31,883	\$177,978	\$179,536
General obligation bonds payable - District	385,577	307,400	-	-	385,577	307,400
Constructions bonds payable - City	-	-	25,915	27,340	25,915	27,340
Revenue anticipation notes - City	48,400	42,600	-	-	48,400	42,600
Revenue anticipation notes - District	23,664	-	-	-	23,664	-
Bond anticipation notes - District	-	23,000	-	-	-	23,000
Total debt	<u>\$605,587</u>	<u>\$520,652</u>	<u>\$55,948</u>	<u>\$59,223</u>	<u>\$661,535</u>	<u>\$579,876</u>

were used to finance capital expenditures and satisfy legal judgments and to fund Water and Sewer fund projects. Major projects and satisfactions funded with these proceeds are as follows:

- Road Reconstruction - \$3,250
- Fire Aerial Towers Replacement - \$2,272
- Fire Engines Replacement - \$1,480

## **CITY OF SYRACUSE, NEW YORK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020**

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- Assessable Sidewalk Program - \$1,400
- Snow Plows with Attachments - \$1,075

The City issued \$72,064 in revenue anticipation notes (RANs) during the fiscal year; \$23,664 on behalf of the School District and \$48,400 for the City for cash flow purposes. A large portion of both the City and School District's state aid is not received until the last quarter of the fiscal year; and therefore, the City needs cash flow borrowing to fund day-to-day operations. The City and School District RAN were outstanding at June 30, 2020.

The City had a rating of A1 from Moody's Investors Service and an A rating from Standard & Poor's at June 30, 2020.

The New York State Constitution imposes a debt limit of 9 percent of the most recent five-year average of full valuation of taxable real estate in the City. Certain specified types of obligations are excluded. The limit as of fiscal year end was \$423,803, which is above the City's outstanding general obligation debt after exclusions.

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

The City of Syracuse has several economic factors that affect the ability of the City to address local fiscal growth or stability. These factors include:

- Reliance on state aid for the City and the City School District
- Reliance on local retail activity as a source of sales tax
- A dependent school district resulting in high mandated costs and aging buildings
- A stagnant property tax base
- A declining population
- Significant increases in employee health care costs
- High retirement system costs (see notes to the financial statements for more information.)

In setting the June 30, 2021 fiscal year budget, the City portion of the property tax levy increased by \$1,572, from \$36,790 in fiscal year 2020 to \$38,362 in fiscal year 2021. The School District portion of the levy remained the same in fiscal year 2021 as 2020, at \$66,419. The actual combined property tax levy of the City and School District increased to \$104,781 compared with the previous year of \$103,209. The City and School District combined property tax rate for fiscal year 2021 is \$27.1638 per \$1,000 of assessed property value (\$10.0132 for the City and \$17.1506 for the School District).

The City's June 30, 2021 budget includes a provision for use of fund balance for the City General Fund in the amount of \$8,900. Revenues for fiscal year 2021 are projected to decrease \$1,223, or 0.5%, compared to the previous year's budget and expenditures are projected to decrease \$1,223, or 0.5%, compared to the prior year's budget previous. The School District budget includes a provision to use \$17,633 of fund balance.

The Airport Fund will remain self-sufficient and will not affect the City's General Fund operations for the June 30, 2021.

#### **COVID 19**

The outbreak of the COVID-19 virus has affected commerce and economic growth worldwide. The impact to the City's operations and finances is considerable, and cannot be fully predicted at this time due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State and County, to contain or mitigate its impact. During the year ended June 30, 2020, the

## **CITY OF SYRACUSE, NEW YORK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020**

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pandemic caused disruptions in services and regional economic activity. As a result, the City suffered considerable losses of revenues, most significantly in sales tax and state aid. The City is monitoring the situation and has taken proactive measures to maintain its operations and meet its obligations. The City continues to evaluate various options to mitigate further impacts of COVID-19 on the City's finances, including cash flow borrowings, reductions of budgeted expenditures, and eligibility for federal or state aid for COVID-19 related costs and revenue losses.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City of Syracuse's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact the office of the Commissioner of Finance at City Hall, Room 128, 233 East Washington Street, Syracuse, New York 13202.

Although the City School District is a blended component unit of the City, the City School District issues a separate financial statement. To obtain this report contact the Chief Financial Officer of the Syracuse City School District at 1025 Erie Blvd. West, Syracuse, New York 13204-2749. The Joint Schools Construction Board is also a blended component unit that has a separately issued financial statement. To obtain this report contact the Commissioner of Finance, City Hall, Syracuse, New York 13202.

The Syracuse Industrial Agency (SIDA), Syracuse Economic Development Corporation (SEDCO) and The Syracuse Regional Airport Authority are discretely presented component units with separately issued financial statements. To obtain reports for SIDA and SEDCO, contact the Department of Neighborhood and Business Development at City Hall Commons, Syracuse, New York 13202.

To obtain the financial report for the Syracuse Regional Airport Authority, contact the Airport Authority at Syracuse International Airport, 1000 Colonel Eileen Collins Boulevard, Syracuse, New York, 13212.

To obtain a financial report for the Greater Syracuse Property Development Corporation contact the Greater Syracuse Property Development Corporation at 431 East Fayette Street, Suite 375, Syracuse, New York 13202.

CITY OF SYRACUSE, NEW YORK

Statement of Net Position  
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 124,652,939	\$ 14,962,962	\$ 139,615,901	\$ 33,190,950
Restricted cash and cash equivalents	208,670,460	474,292	209,144,752	25,714,030
Loans receivable - current portion	14,434,346	-	14,434,346	305,099
Accounts receivable	6,234,320	4,006,164	10,240,484	1,961,742
Other receivable	4,076,373	-	4,076,373	2,961
Taxes receivable, net	8,083,567	-	8,083,567	-
Internal balances	8,833	(8,833)	-	-
Due from other governments	115,016,150	14,371	115,030,521	371,210
Due from component units, net	1,999,080	-	1,999,080	-
Inventory	2,180,317	-	2,180,317	878,942
Prepaid expenses and other assets	385,590	-	385,590	922,755
Net pension asset	29,560,359	-	29,560,359	-
Loans receivable, net of current portion	-	-	-	4,125,641
Notes receivable, net of current portion	-	-	-	4,790,185
Capital assets, net	<u>849,505,841</u>	<u>112,403,653</u>	<u>961,909,494</u>	<u>17,216,368</u>
Total assets	<u>1,364,808,175</u>	<u>131,852,609</u>	<u>1,496,660,784</u>	<u>89,479,883</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - debt refunding	808,899	279,863	1,088,762	-
Deferred outflows - OPEB	55,522,830	2,306,877	57,829,707	3,351,312
Deferred outflows - pensions	<u>215,607,856</u>	<u>3,785,486</u>	<u>219,393,342</u>	<u>1,915,710</u>
Total deferred outflows of resources	<u>271,939,585</u>	<u>6,372,226</u>	<u>278,311,811</u>	<u>5,267,022</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	42,949,192	1,065,402	44,014,594	3,956,105
Accrued interest	4,529,537	382,198	4,911,735	-
Due to other governments	1,236,817	-	1,236,817	-
Amounts due to retirement systems	26,915,361	212,552	27,127,913	-
Revenue anticipation note payable	72,064,000	-	72,064,000	-
Unearned revenue	1,721,918	-	1,721,918	558,892
Due to primary government	-	-	-	1,999,080
Loans payable	14,575,713	-	14,575,713	-
Other liabilities	135,546	-	135,546	735,368
Due to fiduciary funds	649,612	-	649,612	-
Long-term liabilities - due within one year	59,263,607	5,206,819	64,470,426	16,000
Long-term liabilities - due in more than one year	<u>1,453,603,458</u>	<u>89,521,782</u>	<u>1,543,125,240</u>	<u>30,170,669</u>
Total liabilities	<u>1,677,644,761</u>	<u>96,388,753</u>	<u>1,774,033,514</u>	<u>37,436,114</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - lottery aid	16,000,000	-	16,000,000	-
Deferred inflows - OPEB	718,608,022	29,884,309	748,492,331	2,994,353
Deferred inflows - pensions	<u>48,242,748</u>	<u>162,563</u>	<u>48,405,311</u>	<u>104,558</u>
Total deferred inflows of resources	<u>782,850,770</u>	<u>30,046,872</u>	<u>812,897,642</u>	<u>3,098,911</u>
<b>NET POSITION</b>				
Net investment in capital assets	483,442,552	56,455,546	539,898,098	1,459,368
Restricted	180,627,253	474,292	181,101,545	25,397,385
Unrestricted (deficit)	<u>(1,487,817,576)</u>	<u>(45,140,628)</u>	<u>(1,532,958,204)</u>	<u>27,355,127</u>
Total net position	<u>\$ (823,747,771)</u>	<u>\$ 11,789,210</u>	<u>\$ (811,958,561)</u>	<u>\$ 54,211,880</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Activities  
For the Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Fees, Fines and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-Type Activities	Total		
<b>PRIMARY GOVERNMENT:</b>									
<b>Governmental Activities:</b>									
General government support	\$ 18,847,034	\$ 2,944,579	\$ 3,089,884	\$ -	\$ (12,812,571)	\$ -	\$ (12,812,571)	\$ -	
Public safety	160,241,897	6,791,379	1,935,124	-	(151,515,394)	-	(151,515,394)	-	
Transportation	22,749,395	9,369,751	273,947	12,489,005	(616,692)	-	(616,692)	-	
Economic opportunity and development	(867,864)	8,067	201,434	-	1,077,365	-	1,077,365	-	
Home and community services	36,069,862	9,165,887	9,045,214	282,001	(17,576,760)	-	(17,576,760)	-	
Culture and recreation	4,066,074	506,097	89,623	-	(3,470,354)	-	(3,470,354)	-	
Education	451,239,628	427,496	77,928,543	-	(372,883,589)	-	(372,883,589)	-	
Interest on long-term debt	18,386,306	-	-	-	(18,386,306)	-	(18,386,306)	-	
<b>Total governmental activities</b>	<b>710,732,332</b>	<b>29,213,256</b>	<b>92,563,769</b>	<b>12,771,006</b>	<b>(576,184,301)</b>	<b>-</b>	<b>(576,184,301)</b>	<b>-</b>	
<b>Business-Type Activities:</b>									
Water	15,327,610	22,869,019	-	991,663	-	8,533,072	8,533,072	-	
Sewer	4,529,062	5,545,731	-	-	-	1,016,669	1,016,669	-	
<b>Total business-type activities</b>	<b>19,856,672</b>	<b>28,414,750</b>	<b>-</b>	<b>991,663</b>	<b>-</b>	<b>9,549,741</b>	<b>9,549,741</b>	<b>-</b>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 730,589,004</b>	<b>\$ 57,628,006</b>	<b>\$ 92,563,769</b>	<b>\$ 13,762,669</b>	<b>(576,184,301)</b>	<b>9,549,741</b>	<b>(566,634,560)</b>	<b>-</b>	
<b>COMPONENT UNITS:</b>									
Syracuse Industrial Development Agency	\$ 1,692,908	\$ 1,033,080	\$ -	\$ -	-	-	-	(659,828)	
Syracuse Economic Development Corporation	42,432	146,172	-	-	-	-	-	103,740	
Syracuse Regional Airport Authority	44,631,634	36,228,393	-	7,635,947	-	-	-	(767,294)	
Greater Syracuse Property Development Corporation	5,299,030	1,662,688	3,290,826	-	-	-	-	(345,516)	
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 51,666,004</b>	<b>\$ 39,070,333</b>	<b>\$ 3,290,826</b>	<b>\$ 7,635,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,668,898)</b>	
					Property taxes and tax items	101,132,145	-	101,132,145	-
					Sales and use taxes	86,103,002	-	86,103,002	-
					Other taxes	3,851,485	-	3,851,485	-
					Unallocated state aid	433,662,537	-	433,662,537	-
					Unallocated federal aid	1,758,398	-	1,758,398	-
					Use of money and property	2,156,126	2,692	2,158,818	169,556
					Contributions	-	-	-	235,250
					Miscellaneous	10,366,057	-	10,366,057	-
					Transfers	2,825,000	(2,825,000)	-	-
					<b>Total general revenues and transfers</b>	<b>641,854,750</b>	<b>(2,822,308)</b>	<b>639,032,442</b>	<b>404,806</b>
					<b>Changes in net position</b>	<b>65,670,449</b>	<b>6,727,433</b>	<b>72,397,882</b>	<b>(1,264,092)</b>
					<b>NET POSITION - beginning of year</b>	<b>(889,418,220)</b>	<b>5,061,777</b>	<b>(884,356,443)</b>	<b>55,475,972</b>
					<b>NET POSITION - end of year</b>	<b>\$ (823,747,771)</b>	<b>\$ 11,789,210</b>	<b>\$ (811,958,561)</b>	<b>\$ 54,211,880</b>

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Balance Sheet - Governmental Funds  
June 30, 2020**

	General Fund	Joint Schools Construction Board	Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
			City School District General Fund	City School District Special Aid Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 31,754,859	\$ -	\$ 80,384,593	\$ -	\$ 12,513,487	\$ 124,652,939
Restricted cash and cash equivalents	26,406,245	144,880,470	3,096,470	-	34,287,275	208,670,460
Loans receivable	-	-	-	-	14,434,346	14,434,346
Accounts receivable	1,085,813	-	-	-	5,148,507	6,234,320
Other receivable	-	-	482,263	3,594,110	-	4,076,373
Taxes receivable, net	4,675,092	-	3,392,727	-	15,748	8,083,567
Due from other funds	7,055,292	-	9,477,892	-	16,720,060	33,253,244
Due from other governments	40,886,869	-	39,889,112	25,437,710	8,802,459	115,016,150
Inventory	-	-	1,607,071	-	573,246	2,180,317
Prepays and other assets	-	-	370,793	-	14,797	385,590
<b>Total assets</b>	<b>\$ 111,864,170</b>	<b>\$ 144,880,470</b>	<b>\$ 138,700,921</b>	<b>\$ 29,031,820</b>	<b>\$ 92,509,925</b>	<b>\$ 516,987,306</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 6,059,545	\$ 12,731,122	\$ 16,823,213	\$ 3,528,999	\$ 3,798,494	\$ 42,941,373
Accrued interest	588,867	-	-	-	-	588,867
Due to other funds	-	4,221,967	-	22,528,319	5,144,657	31,894,943
Due to other governments	14,002	-	-	1,167,780	55,035	1,236,817
Amounts due to retirement systems	5,428,428	-	21,230,349	-	-	26,658,777
Revenue anticipation notes	48,400,000	-	23,664,000	-	-	72,064,000
Self-insurance claims	5,492,891	-	1,076,823	-	-	6,569,714
Unearned revenue	-	-	-	-	1,721,918	1,721,918
Loans payable	-	-	-	-	14,575,713	14,575,713
Other liabilities	43,567	-	-	-	91,979	135,546
<b>Total liabilities</b>	<b>66,027,300</b>	<b>16,953,089</b>	<b>62,794,385</b>	<b>27,225,098</b>	<b>25,387,796</b>	<b>198,387,668</b>
Deferred inflows of resources:						
Unavailable revenue	3,727,121	-	1,557,964	1,773,577	5,074,092	12,132,754
Fund Balance:						
Nonspendable	-	-	1,977,864	-	583,246	2,561,110
Restricted	430,398	127,927,381	3,096,470	33,145	49,139,859	180,627,253
Committed	-	-	-	-	12,324,932	12,324,932
Assigned	9,002,813	-	69,274,238	-	-	78,277,051
Unassigned	32,676,538	-	-	-	-	32,676,538
<b>Total fund balance</b>	<b>42,109,749</b>	<b>127,927,381</b>	<b>74,348,572</b>	<b>33,145</b>	<b>62,048,037</b>	<b>306,466,884</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 111,864,170</b>	<b>\$ 144,880,470</b>	<b>\$ 138,700,921</b>	<b>\$ 29,031,820</b>	<b>\$ 92,509,925</b>	<b>\$ 516,987,306</b>

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2020**

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Total fund balances for governmental funds	\$	306,466,884
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets, net of associated accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds		
		675,151,828
Pension obligation activity:		
Net pension asset		29,560,359
Deferred outflows of resources		211,012,876
Net pension liability		(176,999,842)
Deferred inflows of resources		(48,047,275)
Other postemployment benefit activity:		
Total other postemployment benefit liability		(708,551,147)
Deferred outflows of resources		54,536,958
Deferred inflows of resources		(705,245,007)
Revenue collected after year end and not available to pay for current year expenditures and deferred in funds		
		12,132,754
Long-term liabilities, including bonds payable, compensated absences, judgments and claims, self- insurance claims, and other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
		(566,115,737)
Deferred charges relating to debt refunding not reported in the funds		
		808,899
Deferred inflows related to District lottery aid not reported in the funds		
		(16,000,000)
Accrued interest not reported in the funds		
		(3,693,627)
The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position		
		<u>111,234,306</u>
Total net position of governmental activities	\$	<u>(823,747,771)</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2020

	General Fund	Joint Schools Construction Board	Special Revenue		Nonmajor Governmental Funds	Total Governmental Funds
			City School District General Fund	City School District Special Aid Fund		
REVENUES:						
General property taxes and tax items	\$ 39,725,982	\$ -	\$ 61,161,816	\$ -	\$ 3,332,757	\$ 104,220,555
Sales and use taxes	85,414,655	-	688,347	-	-	86,103,002
Other local taxes	2,999,440	-	-	-	852,045	3,851,485
Departmental revenues	11,605,974	-	-	-	-	11,605,974
Intergovernmental charges	316,918	-	-	-	-	316,918
Licenses and permits	2,044,389	-	-	-	-	2,044,389
Fines and forfeitures	3,054,629	-	-	-	-	3,054,629
Sale of property and compensation for loss	427,233	-	1,337,001	-	1,842	1,766,076
Use of money and property	686,185	1,354,781	260,409	-	78,558	2,379,933
Federal and state aid and other grants	68,635,480	720,127	368,683,338	62,831,790	32,820,421	533,691,156
Pass-through New York State funding from District	-	20,543,696	-	-	-	20,543,696
Surplus food	-	-	-	-	862,318	862,318
Sales-School Food Service program	-	-	-	-	151,076	151,076
Other revenues	4,512,493	-	2,557,771	-	1,395,106	8,465,370
Total revenues	<u>219,423,378</u>	<u>22,618,604</u>	<u>434,688,682</u>	<u>62,831,790</u>	<u>39,494,123</u>	<u>779,056,577</u>
CURRENT EXPENDITURES:						
General government support	25,177,943	-	-	-	2,997,844	28,175,787
Public safety	143,486,099	-	-	-	1,915,564	145,401,663
Transportation	21,128,517	-	-	-	2,151,899	23,280,416
Economic opportunity and development	-	-	-	-	493,766	493,766
Home and community services	12,820,309	-	-	-	9,038,709	21,859,018
Culture and recreation	9,906,473	-	-	-	45,837	9,952,310
Education	-	-	389,506,062	66,563,001	-	456,069,063
Principal debt payments	-	11,960,000	535,000	-	18,773,385	31,268,385
Interest on debt	624,367	13,971,292	904,842	-	5,154,271	20,654,772
Capital outlays	-	80,542,056	-	-	24,864,290	105,406,346
Food Service Program	-	-	-	-	13,086,405	13,086,405
Pass-through New York State funding to JSCB	-	-	20,543,696	-	-	20,543,696
Total expenditures	<u>213,143,708</u>	<u>106,473,348</u>	<u>411,489,600</u>	<u>66,563,001</u>	<u>78,521,970</u>	<u>876,191,627</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,279,670</u>	<u>(83,854,744)</u>	<u>23,199,082</u>	<u>(3,731,211)</u>	<u>(39,027,847)</u>	<u>(97,135,050)</u>
OTHER FINANCING SOURCES (USES):						
Bond proceeds	550,000	80,530,000	-	-	13,595,000	94,675,000
Bond proceeds from refunding bonds	-	-	-	-	10,250,000	10,250,000
BANs redeemed from appropriations	-	535,000	-	-	-	535,000
Premium on issuance of BANs and RANs	208,120	-	145,391	-	-	353,511
Premium on bonds	81,739	17,971,053	-	-	2,020,441	20,073,233
Premium on refunding bonds	-	-	-	-	1,542,446	1,542,446
Payments to escrow agent	-	-	-	-	(11,792,446)	(11,792,446)
Operating transfers in	2,825,000	250,000	4,636,108	5,639,070	30,296,109	43,646,287
Operating transfers out	(19,835,481)	(720,127)	(15,679,392)	(2,230,679)	(2,355,608)	(40,821,287)
Total other financing sources (uses)	<u>(16,170,622)</u>	<u>98,565,926</u>	<u>(10,897,893)</u>	<u>3,408,391</u>	<u>43,555,942</u>	<u>118,461,744</u>
CHANGE IN FUND BALANCE	(9,890,952)	14,711,182	12,301,189	(322,820)	4,528,095	21,326,694
FUND BALANCE - beginning of year	<u>52,000,701</u>	<u>113,216,199</u>	<u>62,047,383</u>	<u>355,965</u>	<u>57,519,942</u>	<u>285,140,190</u>
FUND BALANCE - end of year	<u>\$ 42,109,749</u>	<u>\$ 127,927,381</u>	<u>\$ 74,348,572</u>	<u>\$ 33,145</u>	<u>\$ 62,048,037</u>	<u>\$ 306,466,884</u>

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2020**

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Net change in fund balances - total governmental funds \$ 21,326,694

The change in net position reported for governmental activities in the Statement of Activities is different because:

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 expense in the current period. 83,110,839

Disposal of assets not fully depreciated resulting in a loss in the statement of activities. (570)

Bond proceeds and premiums are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. (80,387,479)

Revenues previously recorded in the Statement of Activities that did not provide current financial resources and were not recorded in the governmental funds. 3,836,603

Pension income (expense) resulting from pension obligation is not recorded in the governmental funds but is recorded in the Statement of Activities. (51,509,092)

Other postemployment benefits income (expense) resulting from other postemployment benefits liability is not recorded in the governmental funds but is recorded in the Statement of Activities. 106,918,561

Some expenses reported in the Statement of Activities, such as compensated absences and other employee benefits, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (8,401,567)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (49,400)

Amortization of deferred inflows related to District lottery aid. 1,016,667

Net revenue of the Internal Service Fund is reported with Governmental Activities. (10,190,807)

Net change in net position of governmental activities \$ 65,670,449

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Net Position - Proprietary Funds  
June 30, 2020

	Business-type Activities			Governmental
	Water	Sewer	Total	Internal Service Fund
<b>ASSETS</b>				
Current				
Cash and cash equivalents	\$ 9,598,443	\$ 5,364,519	\$ 14,962,962	\$ -
Accounts receivable	3,175,374	830,790	4,006,164	-
Due from other governments	-	14,371	14,371	-
Due from component unit	-	-	-	1,999,080
Total current assets	<u>12,773,817</u>	<u>6,209,680</u>	<u>18,983,497</u>	<u>1,999,080</u>
NONCURRENT ASSETS:				
Restricted cash and cash equivalents	474,292	-	474,292	-
Capital assets, net	<u>97,053,426</u>	<u>15,350,227</u>	<u>112,403,653</u>	<u>174,354,013</u>
Total noncurrent assets	<u>97,527,718</u>	<u>15,350,227</u>	<u>112,877,945</u>	<u>174,354,013</u>
Total Assets	<u>110,301,535</u>	<u>21,559,907</u>	<u>131,861,442</u>	<u>176,353,093</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - debt refunding	194,423	85,440	279,863	-
Deferred outflows - OPEB	1,330,038	976,839	2,306,877	985,872
Deferred outflows - pensions	<u>2,732,885</u>	<u>1,052,601</u>	<u>3,785,486</u>	<u>4,594,980</u>
Total Deferred Outflows of Resources	<u>4,257,346</u>	<u>2,114,880</u>	<u>6,372,226</u>	<u>5,580,852</u>
<b>LIABILITIES</b>				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	925,144	140,258	1,065,402	7,819
Accrued interest	349,433	32,765	382,198	247,043
Due to other funds	6,911	1,922	8,833	1,999,080
Current portion of bonds payable	3,594,494	591,440	4,185,934	1,682,742
Amounts due to retirement systems	160,429	61,841	222,270	273,747
Accrued compensated absences	24,834	16,011	40,845	114,934
Self-insurance claims	<u>615,962</u>	<u>354,360</u>	<u>970,322</u>	<u>700,411</u>
Total current liabilities	<u>5,677,207</u>	<u>1,198,597</u>	<u>6,875,804</u>	<u>5,025,776</u>
NONCURRENT LIABILITIES:				
Bonds payable - net of current portion	48,973,905	2,788,268	51,762,173	34,206,279
Amounts due to retirement systems	-	-	-	8,825
Accrued compensated absences	312,203	153,951	466,154	-
Self-insurance claims	624,368	377,404	1,001,772	743,541
Net pension liability	4,335,323	1,669,798	6,005,121	7,039,889
Total other postemployment benefits	<u>18,581,664</u>	<u>11,704,898</u>	<u>30,286,562</u>	<u>10,116,841</u>
Total noncurrent liabilities	<u>72,827,463</u>	<u>16,694,319</u>	<u>89,521,782</u>	<u>52,115,375</u>
Total Liabilities	<u>78,504,670</u>	<u>17,892,916</u>	<u>96,397,586</u>	<u>57,141,151</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - OPEB	18,543,686	11,340,623	29,884,309	13,363,015
Deferred inflows - pensions	<u>117,360</u>	<u>45,203</u>	<u>162,563</u>	<u>195,473</u>
Total Deferred Inflows of Resources	<u>18,661,046</u>	<u>11,385,826</u>	<u>30,046,872</u>	<u>13,558,488</u>
<b>NET POSITION:</b>				
Net investment in capital assets	44,485,027	11,970,519	56,455,546	138,464,992
Restricted	474,292	-	474,292	-
Unrestricted (deficit)	<u>(27,566,154)</u>	<u>(17,574,474)</u>	<u>(45,140,628)</u>	<u>(27,230,686)</u>
Total net position	<u>\$ 17,393,165</u>	<u>\$ (5,603,955)</u>	<u>\$ 11,789,210</u>	<u>\$ 111,234,306</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type Activities			Governmental
	Water	Sewer	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 22,260,983	\$ 5,503,855	\$ 27,764,838	\$ -
Expense reimbursement income	-	-	-	7,618,046
Miscellaneous	<u>608,036</u>	<u>41,876</u>	<u>649,912</u>	<u>400</u>
Total operating revenues	<u>22,869,019</u>	<u>5,545,731</u>	<u>28,414,750</u>	<u>7,618,446</u>
<b>OPERATING EXPENSES:</b>				
Cost of sales and services	9,900,515	3,411,632	13,312,147	-
Administration	289,249	-	289,249	7,505,228
Depreciation	<u>3,467,380</u>	<u>985,270</u>	<u>4,452,650</u>	<u>12,250,862</u>
Total operating expenses	<u>13,657,144</u>	<u>4,396,902</u>	<u>18,054,046</u>	<u>19,756,090</u>
OPERATING INCOME (LOSS)	<u>9,211,875</u>	<u>1,148,829</u>	<u>10,360,704</u>	<u>(12,137,644)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Capital grants	991,663	-	991,663	-
Capital contributions	-	-	-	282,001
Lease income	-	-	-	3,327,850
Investment income	2,692	-	2,692	-
Interest expense	<u>(1,670,466)</u>	<u>(132,160)</u>	<u>(1,802,626)</u>	<u>(1,663,014)</u>
Total nonoperating revenues (expenses)	<u>(676,111)</u>	<u>(132,160)</u>	<u>(808,271)</u>	<u>1,946,837</u>
INCOME BEFORE OPERATING TRANSFERS	8,535,764	1,016,669	9,552,433	(10,190,807)
OPERATING TRANSFERS OUT	<u>(2,300,000)</u>	<u>(525,000)</u>	<u>(2,825,000)</u>	<u>-</u>
CHANGE IN NET POSITION	6,235,764	491,669	6,727,433	(10,190,807)
NET POSITION - beginning of year	<u>11,157,401</u>	<u>(6,095,624)</u>	<u>5,061,777</u>	<u>121,425,113</u>
NET POSITION - end of year	<u>\$ 17,393,165</u>	<u>\$ (5,603,955)</u>	<u>\$ 11,789,210</u>	<u>\$ 111,234,306</u>

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2020**

	Business-type Activities			Governmental
	Water	Sewer	Total	Internal Service
				Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 22,293,626	\$ 5,447,257	\$ 27,740,883	\$ -
Receipts from expense reimbursements	-	-	-	6,177,965
Payments to vendors	(5,418,888)	(848,848)	(6,267,736)	(996,572)
Payments to employees	(6,069,575)	(2,323,246)	(8,392,821)	(4,830,813)
Due from other governments	-	(12,393)	(12,393)	-
Internal activity with other funds - net	3,981	400	4,381	1,367,981
Claims paid	(2,146,915)	(1,086,629)	(3,233,544)	(1,718,561)
<b>Net cash flow from operating activities</b>	<b>8,662,229</b>	<b>1,176,541</b>	<b>9,838,770</b>	<b>-</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating subsidies and transfers to other funds	(2,300,000)	(525,000)	(2,825,000)	-
<b>Net cash flow from noncapital financing activities</b>	<b>(2,300,000)</b>	<b>(525,000)</b>	<b>(2,825,000)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases of capital assets	(2,509,508)	(346,161)	(2,855,669)	-
Proceeds from capital grants	991,663	-	991,663	-
Proceeds from capital debt	1,915,000	325,000	2,240,000	-
Principal paid on capital debt	(4,815,012)	(823,368)	(5,638,380)	(1,630,000)
Interest paid on capital debt	(1,535,284)	(141,526)	(1,676,810)	(1,697,850)
Other receipts	-	-	-	3,327,850
<b>Net cash flow from capital and related financing activities</b>	<b>(5,953,141)</b>	<b>(986,055)</b>	<b>(6,939,196)</b>	<b>-</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and dividends received	2,694	-	2,694	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>411,782</b>	<b>(334,514)</b>	<b>77,268</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b>9,660,953</b>	<b>5,699,033</b>	<b>15,359,986</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 10,072,735</b>	<b>\$ 5,364,519</b>	<b>\$ 15,437,254</b>	<b>\$ -</b>
<b>Reconciliation of operating income (loss) to net cash flow from operating activities:</b>				
Operating income (loss)	\$ 9,211,875	\$ 1,148,829	\$ 10,360,704	\$ (12,137,644)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:				
Depreciation expense	3,467,380	985,270	4,452,650	12,250,862
(Gain) loss on disposal of capital assets	(21,510)	-	(21,510)	-
Change in assets and liabilities:				
Accounts receivable	(553,883)	(98,096)	(651,979)	-
Due from other governments	-	(12,393)	(12,393)	-
Due to/from other funds	3,981	400	4,381	1,367,981
Due from component unit	-	-	-	(1,440,481)
Accounts payable and accrued expenses	(106,075)	(54,132)	(160,207)	(55,605)
Amounts due to retirement systems	(20,521)	(9,318)	(29,839)	(3,291)
Net pension liability	3,077,055	1,172,718	4,249,773	5,248,876
Other Postemployment Benefits	(20,042,429)	(11,717,858)	(31,760,287)	(14,072,921)
Self-insurance claims	(79,018)	644,567	565,549	714,676
Accrued compensated absences	29,810	35,563	65,373	(225,433)
Deferred outflows	(3,069,658)	(1,473,724)	(4,543,382)	(4,057,468)
Deferred inflows	16,765,222	10,554,715	27,319,937	12,410,448
<b>Net cash flow from operating activities</b>	<b>\$ 8,662,229</b>	<b>\$ 1,176,541</b>	<b>\$ 9,838,770</b>	<b>\$ -</b>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

The Internal Service Fund recognized additions to its capital assets related to a capital contribution from the Syracuse Regional Airport Authority of \$282,001.

Continued...

**CITY OF SYRACUSE, NEW YORK**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2020**

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**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS TO TOTAL  
CASH AND CASH EQUIVALENTS - PROPRIETARY FUNDS:**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Beginning of Year:			
Water Fund	\$ 9,186,661	\$ 474,292	\$ 9,660,953
Sewer Fund	5,699,033	-	5,699,033
Internal Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total - Cash and cash equivalents - beginning of year	<u>\$ 14,885,694</u>	<u>\$ 474,292</u>	<u>\$ 15,359,986</u>
End of Year:			
Water Fund	\$ 9,598,443	\$ 474,292	\$ 10,072,735
Sewer Fund	5,364,519	-	5,364,519
Internal Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total - Cash and cash equivalents - end of year	<u>\$ 14,962,962</u>	<u>\$ 474,292</u>	<u>\$ 15,437,254</u>

Concluded.

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Statement of Net Position - Fiduciary Funds  
June 30, 2020**

	City Agency Funds	City School District Agency Funds	Total Agency Funds	City School District Private Purpose Trusts	Total Fiduciary Funds
<b>ASSETS</b>					
Restricted cash and cash equivalents	\$ 3,866,491	\$ 167,137	\$ 4,033,628	\$ 140,880	\$ 4,174,508
Due from other funds	-	661,727	661,727	-	661,727
Total assets	<u>3,866,491</u>	<u>828,864</u>	<u>4,695,355</u>	<u>140,880</u>	<u>4,836,235</u>
<b>LIABILITIES</b>					
Due to other governments	2,549,052	-	2,549,052	-	2,549,052
Other liabilities	1,317,439	828,864	2,146,303	-	2,146,303
Due to other funds	-	-	-	12,115	12,115
Total liabilities	<u>3,866,491</u>	<u>828,864</u>	<u>4,695,355</u>	<u>12,115</u>	<u>4,707,470</u>
<b>NET POSITION</b>					
Held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,765</u>	<u>\$ 128,765</u>

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Statement of Change in Net Position - Fiduciary Funds  
For the Year Ended June 30, 2020**

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	City School District Private Purpose Trusts
	<u>                    </u>
ADDITIONS:	
Contributions	\$ 5,628
	<u>                    </u>
Total additions	5,628
	<u>                    </u>
DEDUCTIONS:	
Scholarships and awards	14,085
Loss on investment	<u>2,232</u>
	<u>                    </u>
Total deductions	16,317
	<u>                    </u>
CHANGE IN NET POSITION	(10,689)
	<u>                    </u>
NET POSITION - beginning of year	139,454
	<u>                    </u>
NET POSITION - end of year	<u>\$ 128,765</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Combining Statement of Net Position - Component Units  
June 30, 2020

	Syracuse Industrial Development Agency	Syracuse Economic Development Corporation	Syracuse Regional Airport Authority	Greater Syracuse Property Development Corporation	Total
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 3,174,840	\$ 1,315,134	\$ 25,740,062	\$ 2,960,914	\$ 33,190,950
Restricted cash and cash equivalents	-	7,753	25,147,385	558,892	25,714,030
Loans receivable - current portion	-	305,099	-	-	305,099
Accounts receivable	-	-	1,961,742	-	1,961,742
Grant and government subsidiary receivable	-	-	-	371,210	371,210
Other receivables	2,961	-	-	-	2,961
Inventory	-	-	-	878,942	878,942
Other assets	613,403	-	219,021	90,331	922,755
Loans receivable - long-term portion	-	4,125,641	-	-	4,125,641
Notes receivable - long-term portion	-	4,790,185	-	-	4,790,185
Capital assets, net	50,000	-	17,161,461	4,907	17,216,368
Total assets	<u>3,841,204</u>	<u>10,543,812</u>	<u>70,229,671</u>	<u>4,865,196</u>	<u>89,479,883</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - OPEB	-	-	3,351,312	-	3,351,312
Deferred outflows - pensions	-	-	1,915,710	-	1,915,710
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>5,267,022</u>	<u>-</u>	<u>5,267,022</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	48,922	90,621	3,345,701	470,861	3,956,105
Unearned revenue	-	-	-	558,892	558,892
Due to primary government	-	-	1,999,080	-	1,999,080
Grant payable	735,368	-	-	-	735,368
Long-term liabilities - due within one year	16,000	-	-	-	16,000
Long-term liabilities - due in more than one year	16,000	-	30,154,669	-	30,170,669
Total liabilities	<u>816,290</u>	<u>90,621</u>	<u>35,499,450</u>	<u>1,029,753</u>	<u>37,436,114</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - OPEB	-	-	2,994,353	-	2,994,353
Deferred inflows - pensions	-	-	104,558	-	104,558
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,098,911</u>	<u>-</u>	<u>3,098,911</u>
<b>NET POSITION:</b>					
Net investment in capital assets	50,000	-	1,404,461	4,907	1,459,368
Restricted for Grow America	-	250,000	-	-	250,000
Restricted for Airport Authority Projects	-	-	25,147,385	-	25,147,385
Unrestricted	2,974,914	10,203,191	10,346,486	3,830,536	27,355,127
Total net position	<u>\$ 3,024,914</u>	<u>\$ 10,453,191</u>	<u>\$ 36,898,332</u>	<u>\$ 3,835,443</u>	<u>\$ 54,211,880</u>

The accompanying notes are an integral part of these statements

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenses and Changes in Net Position - Component Units  
For the Year Ended June 30, 2020**

	Syracuse Industrial Development Agency	Syracuse Economic Development Corporation	Syracuse Regional Airport Authority	Greater Syracuse Property Development Corporation	Total
<b>PROGRAM REVENUE:</b>					
Financing fees	\$ 1,012,738	\$ -	\$ -	\$ -	\$ 1,012,738
Grant, contributions and government subsidy revenue	-	-	7,635,947	3,290,826	10,926,773
Passenger facility charges	-	-	3,861,707	-	3,861,707
Consumer facility charges	-	-	1,921,505	-	1,921,505
Landing fees	-	-	8,089,843	-	8,089,843
Parking rents	-	-	9,064,483	-	9,064,483
Concession and other	-	-	6,881,002	-	6,881,002
Terminal rents	-	-	6,239,753	-	6,239,753
Rent revenue	20,342	-	-	47,662	68,004
Sale of property	-	-	-	1,559,798	1,559,798
Mortgage interest income	-	143,708	-	-	143,708
Miscellaneous income	-	2,464	170,100	55,228	227,792
<b>Total program revenue</b>	<b>1,033,080</b>	<b>146,172</b>	<b>43,864,340</b>	<b>4,953,514</b>	<b>49,997,106</b>
<b>EXPENSES:</b>					
Airport expenses	-	-	43,118,896	-	43,118,896
Greater Syracuse Property Development Corporation expenses	-	-	-	5,296,000	5,296,000
Public improvements	126,779	-	-	-	126,779
Development projects	29,493	60,487	-	-	89,980
Other costs	1,532,416	(18,055)	-	-	1,514,361
Interest	4,220	-	319,965	-	324,185
Depreciation	-	-	1,192,773	3,030	1,195,803
<b>Total expenses</b>	<b>1,692,908</b>	<b>42,432</b>	<b>44,631,634</b>	<b>5,299,030</b>	<b>51,666,004</b>
<b>NET PROGRAM REVENUE (EXPENSE)</b>	<b>(659,828)</b>	<b>103,740</b>	<b>(767,294)</b>	<b>(345,516)</b>	<b>(1,668,898)</b>
<b>GENERAL REVENUE:</b>					
Investment earnings	4,790	101,628	63,138	-	169,556
<b>Total general revenue</b>	<b>4,790</b>	<b>101,628</b>	<b>63,138</b>	<b>-</b>	<b>169,556</b>
<b>CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,250</b>	<b>235,250</b>
<b>CHANGES IN NET POSITION</b>	<b>(655,038)</b>	<b>205,368</b>	<b>(704,156)</b>	<b>(110,266)</b>	<b>(1,264,092)</b>
<b>NET POSITION - beginning of year</b>	<b>3,679,952</b>	<b>10,247,823</b>	<b>37,602,488</b>	<b>3,945,709</b>	<b>55,475,972</b>
<b>NET POSITION - end of year</b>	<b>\$ 3,024,914</b>	<b>\$ 10,453,191</b>	<b>\$ 36,898,332</b>	<b>\$ 3,835,443</b>	<b>\$ 54,211,880</b>

The accompanying notes are an integral part of these statements

# CITY OF SYRACUSE, NEW YORK

## Notes to Basic Financial Statements June 30, 2020

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### 1. NATURE OF OPERATIONS

The City of Syracuse, New York (the City) was incorporated in 1848 and operates under an elected Mayor. The Common Council is the elected legislative body and consists of a Council President and four members elected at large plus five district members. The City provides service of general government, public works, public safety, education, community enrichment and economic development to its approximately 145,000 residents.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Significant accounting policies used by the City are discussed in subsequent subsections of this note.

#### **Financial Reporting Entity**

The City's financial reporting entity comprises the following:

Primary Government:	City of Syracuse, New York
Blended Component Units:	Syracuse City School District Syracuse Urban Renewal Agency Joint Schools Construction Board
Discretely Presented Component Units:	Syracuse Economic Development Corporation Syracuse Industrial Development Agency Syracuse Regional Airport Authority Greater Syracuse Property Development Corporation

The reporting entity of the City is based upon criteria set forth by the GASB.

#### ***Blended Component Units***

Blended component units are separate entities that meet the component unit criteria set forth by the GASB. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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Syracuse City School District (the District) - The District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education, which is an elected body. The District is not a separate legal entity and does not have the power to levy taxes or issue bonds. Its budget is subject to approval by the City Common Council. The City is financially accountable for the District and makes the District whole with respect to the property tax levy. The District is primarily included in the basic financial statements as a special revenue fund in the fund financial statements. The District's general fund and special aid fund are combined in the City's fund financial statements. In the government-wide statements, the District is included in the governmental activities. Separately issued financial statements may be obtained by contacting the Chief Financial Officer of the District at 1025 Erie Blvd. West, Syracuse, New York 13204-2749.

Syracuse Urban Renewal Agency (SURA) - SURA is an agency used to account for federal, state and local capital grant funds for the redevelopment of land in the City of Syracuse. The City is financially accountable for SURA. The Mayor appoints the voting majority of the governing body. SURA is included in the basic financial statements as a nonmajor governmental fund in the fund financial statements. In the government-wide statements, SURA is included in the governmental activities. Separately issued financial statements may be obtained by contacting the Department of Neighborhood & Business Development at City Hall Commons, Syracuse, New York 13202.

Joint Schools Construction Board (JSCB) - The JSCB is a blended component unit of the District. The JSCB is a joint venture between the District and the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York (the Council) for the design, construction, reconstruction and financing of educational facilities in the City in accordance with applicable state and local laws. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, Commissioner of Finance, City Hall, Syracuse, New York 13202.

#### ***Discretely Presented Component Units***

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. The following organizations are discretely presented component units.

Syracuse Industrial Development Agency (SIDA) - SIDA is a public benefit governmental agency established to enhance economic development in the City. SIDA's programs include issuing industrial revenue bonds and making HUD 108 loans. The Mayor appoints a voting majority of the governing body and SIDA's activities are controlled by the City of Syracuse. Separate audited financial statements are prepared for SIDA and reports may be obtained by writing to Syracuse Industrial Development Agency, City Hall, Syracuse, New York 13202. SIDA has a fiscal year which ends December 31.

Syracuse Economic Development Corporation (SEDCO) - SEDCO is a not-for-profit corporation established by the City to foster development ventures in the City. SEDCO loans funds through Direct and Entrepreneur Loan Programs and the Urban Development Action Grant Program. The Direct and Entrepreneur Loan Programs are funded from annual entitlement grants from the City. The Urban Development Action Grant represents funds received by the City and passed through (loaned) to SEDCO. The City is financially accountable for SEDCO and the Mayor appoints the voting majority of the governing body.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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Separate audited financial statements are prepared for SEDCO and reports may be obtained by writing to Syracuse Economic Development Corporation, City Hall, Syracuse, New York 13202. SEDCO has a fiscal year which ends December 31.

Syracuse Regional Airport Authority (the Authority) - The Authority is a public benefit corporation established in August 2011 to maintain and operate Syracuse Hancock International Airport. The Authority submitted a joint application to the Federal Aviation Administration (FAA), along with the City of Syracuse (the City), to transfer the Federal Aviation Regulation Part 139 Operating Certificate from the City to the Authority. The application included several exhibits, including a Lease Agreement, Services Agreement, Assignment and Assumption Agreement, and narratives regarding the Airport's bond amounts, obligation and indentures, and the enterprise fund. The three agreements were approved by the Authority on July 12, 2013, and approved by the Syracuse Common Council in November 2013. The application was submitted to the FAA for review with a request to issue the operating certificate and make the transfer in 2014. The FAA approved the transfer from the City to the Authority in February 2014. On March 1, 2014, the Authority assumed operational control over the Airport. The oversight body is the Authority board of which seven of the eleven members are appointed by the Mayor of the City of Syracuse. The chairperson is designated by the Mayor of the City of Syracuse. Pursuant to a lease agreement, the Authority leases the properties comprising the Airport from the City. A separate legal entity, the Authority, is included as a discretely presented component unit within the City's basic financial statements due to the City's ability to impose its will. Pursuant to a service agreement, the Authority reimburses the City for certain services that have been rendered by employees of the City under the City's Department of Aviation and certain expenses incurred in the administration and operation of the Airport. Upon expiration or earlier termination of the lease term, the Airport reverts to the City and the City will be required to obtain the operating certificate from the FAA in order to continue to administer and operate the Airport. Separate audited financial statements are prepared for the Authority and reports may be obtained by writing to the Executive Director at 1000 Colonel Eileen Collins Boulevard, Syracuse, New York, 13212.

Greater Syracuse Property Development Corporation - The City of Syracuse and County of Onondaga entered into an inter-municipal agreement on March 27, 2012 to create the Greater Syracuse Property Development Corporation, a not-for-profit corporation, operating as the Greater Syracuse Land Bank (Land Bank) under the New York Land Bank Act of 2011. The purpose of the Land Bank is to address problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax-delinquent properties to productive use. The City and County, while under no obligation, may contribute to the annual Land Bank budget in such manner agreed upon. For fiscal years ended June 30, 2013 through June 30, 2017, the Common Council approved funding agreements with the Land Bank for up to \$1,500,000. For the fiscal years ended June 30, 2019 and June 30, 2020, the Common Council approved funding agreements with the Land Bank for up to \$750,000. The Land Bank is a discretely presented component unit of the City as it is fiscally dependent upon it and there is a financial benefit/burden relationship. The Land Bank has a fiscal year which ends December 31. Separate audited financial statements may be obtained by writing to Greater Syracuse Property Development Corporation, 431 East Fayette Street, Suite 375, Syracuse, New York 13202.

Only footnote disclosures relating to the primary government are included in the basic financial statements. The footnote disclosures relating to SIDA, SEDCO, Syracuse Regional Airport Authority and the Greater Syracuse Property Development Corporation are not included.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **Basis of Presentation**

##### ***Government-wide Financial Statements***

The Statement of Net Position and Statement of Activities present financial information about the reporting government as a whole. They include all funds of the reporting entity except those that are fiduciary. The City's fiduciary funds are presented in the fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments and 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. Eliminations have been made to minimize the double counting of internal transactions. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the City's activities. Direct expenses are those that are specifically associated with and are clearly identified to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Amounts reported in the Statement of Activities as program revenue include charges to customers for goods, services or privileges provided, operating grants and contributions and capital grants and contributions. Program revenues must be directly associated with a governmental or business-type activity. General revenues support all activities and programs. All taxes are considered general revenues with the exception of special assessments.

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

Fund financial statements provide information about the City's funds and blended component units, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major funds within the governmental and proprietary categories. Major funds are displayed in separate columns. Nonmajor funds are summarized into a single column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues plus deferred outflows, or expenditures/expenses plus deferred inflows of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues plus deferred outflows, or expenditures/expenses plus deferred inflows of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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The funds of the financial reporting entity are described as follows:

#### *Governmental Fund Types*

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- 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.
- Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. General operations of the City School District, including the District's General Fund, Special Aid Fund and Food Service Fund, are reported in the special revenue funds.
- Debt Service Fund - Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest of governmental activities. Both the City and the Syracuse City School District maintain debt service funds.
- Capital Projects Fund - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment other than those financed by proprietary funds. The principal sources of revenue are from the sale of bonds, issuance of bond anticipation notes and federal, New York State and local funds. Both the City and the Syracuse City School District maintain capital project funds.
- Joint School Construction Board (JSCB) Fund - The JSCB fund, which is a blended component unit of the District, is used to account for transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York (the Council) for the construction of new educational facilities in accordance with applicable state and local taxes.
- Permanent Funds - The permanent funds account for assets held by the City and the District pursuant to trust agreements. The principal portion of these fund types must remain intact, but the earnings may be used to achieve the objectives of the funds.

#### *Proprietary Fund Types*

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Proprietary funds focus on the determination of changes in net position and cash flows and are classified as either enterprise or internal service.

- Enterprise Funds - enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:
  - Water Fund - The Water Fund is used to account for providing water to the public.
  - Sewer Fund - The Sewer Fund is used to account for wastewater and sanitation services to the public.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2020

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- Internal Service Fund - The Internal Service Fund is used to account for support services provided to the Syracuse Regional Airport Authority to operate the Syracuse - Hancock International Airport.

#### *Fiduciary Fund types (Not included in government-wide statements)*

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- Agency Funds - Agency funds account for assets held by the City and the District in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of results of operations.
- Private Purpose Funds - Private Purpose Funds, which are included in the District, are trust arrangements under which the principal or interest benefit specific individuals, organizations or other governments, and are therefore not available to support the District's one programs.

#### *Major and Nonmajor Funds*

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The funds are further classified as major or nonmajor as follows:

- Major Funds

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  - General Fund - see above for description
  - Joint School Construction Board (JSCB) - see above for description
  - Special Revenue Fund - City School District General Fund - This fund is used to account for the education and transportation of pupils within the City.
  - Special Revenue Fund - City School District Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.
  - Proprietary Funds
    - Water Fund - see above for description
    - Sewer Fund - see above for description
- Nonmajor Funds

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  - Capital Projects Funds - City and City School District
  - Debt Service Funds - City and City School District
  - Permanent Funds:
    - Francis Hendrick's
    - The Ed Smith School Fund
  - Special Revenue Funds:
    - Neighborhood and Business Development
    - Special Grants
    - Special Assessment Districts
    - Oil and Flushing
    - Syracuse Urban Renewal Agency
    - School Food Service Fund
    - Miscellaneous Trust Funds

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **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 government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus. 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.
- b. Proprietary and fiduciary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Proprietary and fiduciary fund equity are classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

#### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. All transactions and events that affect the total economic resources during the year are reported. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time an obligation (liability) is incurred, regardless of the timing of related cash inflows or outflows.

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, except for the Aid and Incentives to Municipalities state aid entitlement, for which the availability period is 270 days. The District considers revenues to be available if the revenues are collected within 90 days of year-end. The City and District report deferred inflows when the potential revenue does not meet both the measurable and available criteria for recognition in the current period.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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Property taxes, grant revenue, sales tax, and other taxes are the primary revenue sources subject to accrual. Property taxes are reported as a 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 Agency Fund.

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 and fiduciary funds utilize the accrual basis of accounting.

#### **Budgets and Budgetary Accounting**

In accordance with the City Charter, the annual operating budget includes the General Fund, City School District Fund exclusive of grants, the Aviation Fund and the Debt Service Fund. The budget for the Debt Service Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The budget for other governmental funds is prepared on a non-GAAP budgetary basis in that encumbrances are charged against appropriations in the year the commitment is incurred and payroll costs are on a cash basis. Formal budgetary integration is employed as a management control device during the year. For the Capital Projects Fund, long-term budgets covering the anticipated life of the project are adopted by the Common Council at the time of approval. The Neighborhood & Business Development Fund has budgets which are prepared annually for each program. The Mayor and the Common Council approve the budgets. The fund is federally funded and appropriations are based on funding received for the programs.

The City appropriates a total expenditure budget based on projected revenues and surplus from the preceding year. The budget allocations among the various organizational units in the governmental funds, along with any amendments made by the Common Council, are included in the Statement of Revenues, Expenditures and Encumbrances - Budget and Actual (Budgetary Basis).

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:

- By April 8th, the Mayor submits to the Common Council operating budgets for the City and the City School District, including the means of financing them, for the fiscal year commencing the following July 1st.
- Following a public hearing on the proposed budget, the Common Council must adopt the proposed or amended budget no later than May 8th.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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- Any amendments approved by the Common Council are presented to the Mayor for consideration. Should the Mayor object to any amendment, the Common Council has an opportunity to override the Mayor's objection until June 3rd.
- The Mayor has the authority to transfer budgeted amounts between accounts within a department, but increases to department totals must be approved by the Common Council.
- Budget amendments occurring subsequent to the adoption of the budget are drafted and reviewed by the Budget Director and submitted to the Common Council for approval. If amendments are passed by the Common Council, they are submitted to the Mayor for final approval.

#### **Cash and Cash Equivalents**

Cash equivalents consist primarily of demand deposits, cash held by fiscal agents, money market accounts and certificate of deposits with the original maturities of three months or less.

#### **Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents include amounts restricted for future debt payments, amounts restricted for capital projects and Joint Schools Construction Board projects, cash to fund grant related programs, funds restricted for miscellaneous and permanent trusts and amounts collected on behalf of other governments.

#### **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales and use taxes, mortgage taxes, franchise taxes and grants. Business-type activities report fee for service receivables and grant related earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, sales and use taxes, mortgage taxes, franchise taxes, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if they are considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Fee for service receivables and grant related earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

#### **Inventories**

Inventories of food and/or supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in the other funds are recorded at cost on an average cost basis.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### Prepaid Items

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

#### Capital Assets (Fixed Assets)

The accounting treatment of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### Government-wide Financial Statements

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during the construction phase of capital assets of business-type activities, if any, are included as part of the capitalized value of the assets constructed.

The City has works of art such as maps and valuable documents, paintings, sculptures, exhibits, monuments and statues. These items are not capitalized because they are not held for financial gain, are protected and preserved, and the City's policy requires any sale proceeds to be used to acquire other collection items.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation beginning in the first year after completion or acquisition of the asset, except for the Aviation Fund which begins depreciating assets on the date of acquisition.

The range of estimated useful lives by type of asset is as follows:

Buildings	20-40 years
Parking garages	20 years
Machinery and equipment	3-10 years
Improvements - land and building	20-40 years
Improvements - parking garages	10 years
Infrastructure	20-100 years
Furniture	5-10 years
Vehicles	3-9 years

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

#### **Deferred Outflows and Inflows 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 reports deferred outflows of resources for the early retirement of debt. A deferred outflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Also, the City has deferred outflows of resources, which are comprised of New York State Retirement Systems pension amounts as described in Note 8 and other postemployment benefits as described in Note 10.

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 other postemployment benefits as described in Note 10.

##### *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 net position 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. The governmental funds report unavailable revenues from property taxes and sidewalk and sewer assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **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. The liability for these compensated absences is broken out and recorded as current and long-term debt in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis. The proprietary funds report the liability as it is incurred.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **Long-Term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements. Material bond premiums and discounts are deferred and amortized over the life of the bond. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Long-term debt is not reported as a liability of the governmental funds and any debt issued is reported as an other financing source in the Statement of Revenues, Expenditures and Change in Fund Balances. Payments of principal and interest on general long-term debt are recognized when paid from a governmental fund. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Equity Classifications**

##### *Government-wide Financial Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - reports net position when constraints placed on the assets or deferred outflow of resources either by (1) external groups such as creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position in the business-type activities is for capital and grant related projects.
- c. Unrestricted net position - reports the balance of net position that does not meet the definition of "restricted" or "net investment in capital assets" and is deemed to be available for general use by the City.

##### *Fund Financial Statements*

Classification of fund balance reflects spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a governmental fund's net resources. Constraints are broken down into five different classifications: nonspendable, restricted, committed, assigned, and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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

- a. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory in the School Food Service Fund and prepaid expenditures.
- b. Restricted - Includes amount with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the City's and School Districts highest level of decision-making authority, i.e. the Common Council and Board of Education. The Common Council and Board of Education can adopt an ordinance to commit fund balance. Committed Capital Projects Fund balance of \$11,889,428 represents the City's commitment to fund certain capital projects. Nonmajor Funds have commitments of \$435,504 for Special Assessment Districts.
- d. Assigned - Includes all remaining fund balance in the Special Revenue Fund - City School District General Fund that does not meet the above definitions. Included in the District's assigned fund balance are encumbrances of \$7,569,139 and \$17,632,743 of appropriations to fund fiscal year 2020-2021 operating expenditures. The District also assigned \$632,744 to fund future JSCB debt service payments. Assigned fund balance in the City's General Fund consists of encumbrances of \$102,813 and \$8,900,000 of appropriations to fund fiscal year 2020-2021 operating expenditures. Under the City's adopted policy, the Board of Education and the Common Council may assign amounts for specific purposes.
- e. Unassigned - Includes all other General Fund balance that does not meet the definition of the above four classifications and is deemed to be available for general use by the City. In addition, unassigned fund balance includes any remaining negative fund balance for funds other than the General Fund.

Proprietary net position is classified the same as in government-wide statements.

#### *Order of Use of Fund Balance*

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

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **Retirement and Other Postemployment Benefits**

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), New York State and Local Teachers' Retirement System (TRS) 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, and TRS – July 1 to June 30. See Note 8 for further information.

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 10 for further information.

#### **Revenue, Expenditures and Expenses**

##### **Property Taxes and Property Tax Abatement Programs**

The property tax levy is approved by the Common Council in May for the following year on the basis of the final assessment roll on July 1. The City bills and collects its own property taxes including school taxes and the property taxes levied by Onondaga County. City and District taxes are attached as an enforceable lien on property as of July 1 and are payable in four equal installments in July, October, January and April. County taxes are attached as an enforceable lien on property as of January 1 and are payable in four equal installments in January, April, July and October. City and School District property tax revenues are recognized when levied to the extent they result in current receivables, less an allowance for amounts estimated to be uncollectible. The allowance for City School District taxes is offset against City taxes as the City guarantees 100% of the levy to the School District. The City does not guarantee the collection of County taxes. The City is required to pay the County only when, and if, the tax is collected. In addition, the receivables in the governmental funds which are not available to finance current operations are offset by the recording of deferred inflow of resources – unavailable revenue. This is recognized as revenue in the fiscal year that such amounts become available. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. In the government-wide financial statements, property taxes are recorded as revenue when levied, less an allowance for uncollectible amounts.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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The City is subject to tax abatements granted by two industrial development agencies, the Syracuse Industrial Development Agency (a discretely presented component unit of the City of Syracuse, New York) and the Onondaga County Industrial Development Agency. The abatements are for the acquisition, construction and renovation of various properties in the City of Syracuse, New York. Both agencies were created in accordance with the New York State Industrial Development Agency Act of 1969 to promote, develop, encourage and assist industrial, manufacturing, warehousing, commercial, research and recreational facilities to advance job opportunities, health, and economic welfare of the people of the State of New York. The Agencies carry out their mandate by offering financial incentives to attract, retain and expand business within the City and County. The financial assistance is in the form of payment in lieu of tax agreements (PILOTs). Property taxes abated by agreements with the Onondaga County Industrial Development Agency amounted to \$595,786, and payments received related to the agreements amounted to \$68,873. Property taxes abated by agreements with the Syracuse Industrial Development Agency amounted to \$19,668,388, and payments received related to the agreements amounted to \$1,056,341.

#### **Assessment Tax Revenue**

In the fund financial statements, sidewalk and sewer assessments receivable are not considered currently collectible due to the City's policy of granting deferments for a period of up to ten years with 7% interest. Assessments are recorded as revenue in the funds when they are collected within 60 days of year-end. The amounts due but not collected within 60 days are recorded as a deferred inflow of resources. In the government-wide financial statements, assessment revenue is accrued.

#### **Intergovernmental Revenues - Grants**

For both the government-wide and fund financial statements, the City follows the policy that an expenditure of funds is the prime factor for determining the release of grant funds; revenue is recognized at the time of the expenditure of funds. If release of grant funds is not contingent upon expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

#### **Other Revenues**

In the fund financial statements, governmental funds record licenses and permits, certain charges for services, fines and forfeits and miscellaneous revenues on the cash basis because they are generally not measurable until actually received. Investment earnings are recorded on a modified accrual basis. Sales tax revenues are recorded on a modified accrual basis and include the portion of sales tax revenue attributable to the current year but remitted to the State, and ultimately to the City, within 60 days of the end of the current fiscal year. In the government-wide financial statements and the proprietary funds, other revenues, if material, are recognized when earned.

#### **Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. It also includes all revenues and expenses not related to capital and related financing or investing activities. The principal operating revenue of the Water and Sewer Funds is charges to customers for sales and service. The principal operating revenue of the Internal Service Fund is reimbursements from the Syracuse Regional Airport Authority. Operating expenses for the proprietary funds include the cost of sales and service, charges to the Airport Authority, administrative expenses, uncollectible accounts and depreciation on capital assets.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by activity for both governmental and business-type activities. 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. Certain indirect expenses are allocated among the activities, if possible.

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

Governmental Funds - By character:	Current (further classified by function)
	Debt service for principal payments
	Interest on debt
	Capital outlays

Proprietary Funds - By operating and nonoperating.

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. Proprietary funds report expenses relating to use of economic resources. Expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

#### **Interfund Transfers**

The reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, transfers within governmental activities and within business-type activities are eliminated upon consolidation.

#### **Payments Between the City and Component Units**

Resource flows (except those that affect the Statement of Net Position, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions - that is, as revenues and expenses. Resource flows between the primary government and its blended component unit are classified as interfund transactions in the financial statements.

#### **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.

#### **Delinquent Property Taxes**

Delinquent taxes receivable from the prior year are converted to tax sale certificates annually in April and October for the County and the City, respectively. At June 30, 2020, the tax sale certificates are fully offset by an allowance for uncollectible delinquent taxes and deferred inflow of resources – unavailable revenue in the fund financial statements. The allowance and deferred inflow amounts at June 30, 2020 were \$28,907,108 and \$3,981,652, respectively.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### **Current Vulnerability Due to Certain Concentrations**

Most of the City's employees are covered by collected bargaining agreements. Approximately 78% have expired. The remaining 22% of these agreements extend beyond one year.

#### **Economic Dependency**

The City and the District receive significant funding from both New York State and the federal government. Curtailment of such revenue would have a significant impact on the City's and District's programs.

#### **City / County Abstract**

The City has several shared service agreements with the County of Onondaga, New York, pursuant to which the County provides services to City residents. The majority of these agreements are reflected in the City Abstract, the document by which the City collects County real property taxes imposed on City residents. As reflected in the 2020 City Abstract, the total cost of these services for 2020 is \$24,958,698 and such amount was added to the County real property taxes imposed on City residents. The costs of these services are not included in either the City's annual budget or in the City's real property taxes. The City of Syracuse has the Authority to levy taxes up to the New York State Constitutional tax limit, which is (a) up to 2% of the five-year average full assessed valuation of taxable real property, for general governmental services other than the payment of principal and interest on long-term debt, (b) in unlimited amounts for the payment of principal and interest on long-term debt, and (c) in unlimited amounts for capital appropriations.

As of the 2019-2020 budget year, the City is using approximately \$103,000,000 or 81% of their tax limit to balance the budget. If the abstract charges were included in the City's budget, the City would exhaust approximately \$128,000,000 or 100% of the City's tax limit.

#### **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. Estimates and assumptions are made in several areas, including the computation of compensated absences, potential contingent liabilities, self-insurance accruals, encumbrances and useful lives of long-lived assets.

### **3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, and investments, if any, of all funds, including restricted amounts (with the exception of the Aviation Fund, Joint Schools Construction Board, Neighborhood and Business Development Fund, Syracuse Urban Renewal Agency and certain miscellaneous trust funds) are pooled into one common account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end.

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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

#### Deposits

Deposits include demand deposits, money market accounts and certificate of deposits with original maturities of three months or less with all short-term cash surpluses invested at money market rates in overnight accounts. All deposits with financial institutions must be collateralized in an amount equal to 102% of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to the obligations of the United States or any obligation fully insured as to the principal and interest by the United States acting through an agency, and obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York and must be held either by the financial institution's trust department or by a third party custodial bank.

At June 30, 2020, \$207,206,208 of the City's bank balances was exposed to custodial credit risk and was covered by collateral held in pledging banks' trust departments.

#### 4. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2020:

Governmental activities - City	Balance at July 1, 2019	Additions	Disposals/ Transfers	Balance at June 30, 2020
Not being depreciated:				
Land	\$ 17,287,380	\$ -	\$ -	\$ 17,287,380
Construction in progress	<u>75,528,592</u>	<u>24,283,968</u>	<u>50,705,270</u>	<u>49,107,290</u>
Subtotal	<u>92,815,972</u>	<u>24,283,968</u>	<u>50,705,270</u>	<u>66,394,670</u>
Other capital assets:				
Buildings	344,212,038	282,001	-	344,494,039
Machinery and equipment	71,270,471	4,283,564	295,812	75,258,223
Improvements/ infrastructure	<u>602,463,603</u>	<u>46,772,390</u>	<u>-</u>	<u>649,235,993</u>
Subtotal	<u>1,017,946,112</u>	<u>51,337,955</u>	<u>295,812</u>	<u>1,068,988,255</u>
 Total capital assets	 <u>1,110,762,084</u>	 <u>75,621,923</u>	 <u>51,001,082</u>	 <u>1,135,382,925</u>
Accumulated depreciation:				
Buildings	200,182,960	7,131,274	-	207,314,234
Machinery and equipment	53,444,206	5,173,752	295,242	58,322,716
Improvements/ infrastructure	<u>431,331,105</u>	<u>15,845,665</u>	<u>-</u>	<u>447,176,770</u>
Total	<u>684,958,271</u>	<u>28,150,691</u>	<u>295,242</u>	<u>712,813,720</u>
Net capital assets - City governmental activities	<u>\$ 425,803,813</u>	<u>\$ 47,471,232</u>	<u>\$ 50,705,840</u>	<u>\$ 422,569,205</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

Governmental activities - District	Balance at July 1, 2019	Additions	Disposals/ Transfers	Balance at June 30, 2020
Not being depreciated:				
Land	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Construction in progress	<u>86,180,153</u>	<u>83,038,110</u>	<u>7,181,742</u>	<u>162,036,521</u>
Subtotal	<u>87,660,478</u>	<u>83,038,110</u>	<u>7,181,742</u>	<u>163,516,846</u>
Other capital assets:				
Buildings	474,818,134	7,348,972	-	482,167,106
Machinery and equipment	25,612,966	1,866,960	663,497	26,816,429
Improvements/ infrastructure	<u>6,546,593</u>	<u>-</u>	<u>-</u>	<u>6,546,593</u>
Subtotal	<u>506,977,693</u>	<u>9,215,932</u>	<u>663,497</u>	<u>515,530,128</u>
 Total capital assets	 <u>594,638,171</u>	 <u>92,254,042</u>	 <u>7,845,239</u>	 <u>679,046,974</u>
Accumulated depreciation:				
Buildings	220,165,575	8,403,919	-	228,569,494
Machinery and equipment	17,971,369	2,159,973	663,497	19,467,845
Improvements/ infrastructure	<u>3,940,607</u>	<u>132,391</u>	<u>-</u>	<u>4,072,998</u>
Total	<u>242,077,551</u>	<u>10,696,283</u>	<u>663,497</u>	<u>252,110,337</u>
Net capital assets - District governmental activities	<u>\$ 352,560,620</u>	<u>\$ 81,557,759</u>	<u>\$ 7,181,742</u>	<u>\$ 426,936,637</u>
 Total net governmental assets	 <u>\$ 778,364,433</u>	 <u>\$ 129,028,991</u>	 <u>\$ 57,887,582</u>	 <u>\$ 849,505,842</u>

Depreciation was charged to governmental activities as follows:

General government support	\$ 916,630
Police department	1,390,778
Fire department	2,238,455
Other public safety	716
Transportation	9,610,096
Culture and recreation	1,349,555
Home and community services	12,644,461
Education	<u>10,696,283</u>
	<u>\$ 38,846,974</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

Business-type activities	Balance at July 1, 2019	Additions	Disposals/ Transfers	Balance at June 30, 2020
Not being depreciated:				
Land	\$ 4,485,400	\$ -	\$ -	\$ 4,485,400
Construction in progress	<u>6,993,572</u>	<u>2,816,864</u>	<u>2,413,719</u>	<u>7,396,717</u>
Subtotal	<u>11,478,972</u>	<u>2,816,864</u>	<u>2,413,719</u>	<u>11,882,117</u>
Other capital assets:				
Buildings	4,080,100	-	-	4,080,100
Machinery and equipment	11,566,642	415,431	295,129	11,686,944
Improvements/ infrastructure	<u>132,814,322</u>	<u>2,058,603</u>	<u>-</u>	<u>134,872,925</u>
Subtotal	<u>148,461,064</u>	<u>2,474,034</u>	<u>295,129</u>	<u>150,639,969</u>
 Total capital assets	 <u>159,940,036</u>	 <u>5,290,898</u>	 <u>2,708,848</u>	 <u>162,522,086</u>
Accumulated depreciation:				
Buildings	3,397,964	44,175	-	3,442,139
Machinery and equipment	8,906,692	1,000,829	295,129	9,612,392
Improvements/ infrastructure	<u>33,656,256</u>	<u>3,407,646</u>	<u>-</u>	<u>37,063,902</u>
Total	<u>45,960,912</u>	<u>4,452,650</u>	<u>295,129</u>	<u>50,118,433</u>
Net capital assets - business-type activities	<u>\$ 113,979,124</u>	<u>\$ 838,248</u>	<u>\$ 2,413,719</u>	<u>\$ 112,403,653</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 3,467,380
Sewer	<u>985,270</u>
	<u>\$ 4,452,650</u>

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### 5. CAPITAL INDEBTEDNESS

##### **General Obligations Bonds Payable**

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. The interest rates on long-term debt range from 1.70% to 4.80% with maturity dates through June 30, 2040.

On June 30, 2020, the City issued \$11,615,000 in general obligation bonds with a coupon rate of 5.00% to advance refund \$13,155,000 of outstanding Series 2009A, 2010A and 2011A bonds with interest rates of 2.50 - 5.00%. The net proceeds of \$13,244,267 (including a premium of \$1,770,508 and \$141,240 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the City's financial statements. This refunding decreases total debt service payments over the next 2 years by \$1,528,463 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$1,476,195.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

**Changes in Long-Term Liabilities**

Long-term liability activity for governmental activities for the year ended June 30, 2020:

Governmental activities	Balance at July 1, 2019	Additions	Reductions	Balance at June 30, 2020	Amount due within one year
<b>Bonds payable - City:</b>					
General obligation bonds payable	\$ 141,879,699	\$ 24,160,000	\$ 26,995,915	\$ 139,043,784	\$ 16,793,888
Premium on bonds payable	6,109,200	3,660,070	551,004	9,218,266	832,776
Discount on bonds payable	(336,007)	-	(19,201)	(316,806)	(19,201)
Total bonds payable - City	<u>147,652,892</u>	<u>27,820,070</u>	<u>27,527,718</u>	<u>147,945,244</u>	<u>17,607,463</u>
<b>Bonds payable - District:</b>					
General obligation bonds payable	275,791,697	80,765,000	16,942,697	339,614,000	24,307,000
Premium on bonds payable	31,607,827	17,971,053	3,615,604	45,963,276	3,615,604
Total bonds payable - District	<u>307,399,524</u>	<u>98,736,053</u>	<u>20,558,301</u>	<u>385,577,276</u>	<u>27,922,604</u>
Total bonds payable	<u>455,052,416</u>	<u>126,556,123</u>	<u>48,086,019</u>	<u>533,522,520</u>	<u>45,530,067</u>
<b>Other liabilities:</b>					
Due to NYSERS - Chapter 57 & 260	1,087,170	-	402,798	684,372	409,229
Net pension liability	52,407,183	131,632,548	-	184,039,731	-
Accrued compensated absences - City	7,870,300	457,894	-	8,328,194	114,934
Accrued compensated absences - District	6,431,273	7,483,310	7,345,202	6,569,381	-
Self-insurance claims - City	11,141,688	42,727,912	43,843,837	10,025,763	6,193,302
Self-insurance claims - District	35,846,568	55,195,334	54,462,786	36,579,116	7,016,075
Total other postretirement benefits	1,450,238,821	-	731,570,833	718,667,988	-
Judgments and claims	6,050,000	8,400,000	-	14,450,000	-
Total other liabilities	<u>1,571,073,003</u>	<u>245,896,998</u>	<u>837,625,456</u>	<u>979,344,545</u>	<u>13,733,540</u>
Governmental Activities - Long-Term Liabilities	<u>\$ 2,026,125,419</u>	<u>\$ 372,453,121</u>	<u>\$ 885,711,475</u>	<u>\$ 1,512,867,065</u>	<u>\$ 59,263,607</u>

Payments on the bonds and notes payable that pertain to the City's governmental activities are made by the Debt Service Fund with the exception of the bonds issued for the JSCB projects, which are paid by the JSCB.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

Liabilities for compensated absences, retirement, self-insurance claims and judgments and claims attributable to the governmental activities will be liquidated by the General Fund or the City School District, which is a special revenue fund.

Long-term liability activity for business-type activities for the year ended June 30, 2020:

Business-Type activities	Balance at July 1, 2019	Additions	Reductions	Balance at June 30, 2020	Amount due within one year
Bonds payable:					
General obligation bonds payable	\$ 30,310,621	\$ 2,240,000	\$ 4,252,386	\$ 28,298,235	\$ 2,836,131
Construction bonds payable	27,340,000	-	1,425,000	25,915,000	1,140,000
Premium on bonds payable	1,589,759	342,667	189,598	1,742,828	217,759
Discount on bonds payable	(17,182)	-	(9,226)	(7,956)	(7,956)
<b>Total bonds payable</b>	<b>59,223,198</b>	<b>2,582,667</b>	<b>5,857,758</b>	<b>55,948,107</b>	<b>4,185,934</b>
Other liabilities:					
Due to NYSERS - Chapter 57 & 260	19,958	-	10,240	9,718	9,718
Net pension liability	1,755,348	4,249,773	-	6,005,121	-
Accrued compensated absences	441,626	65,373	-	506,999	40,845
Self-insurance claims	1,406,545	565,549	-	1,972,094	970,322
Total other postretirement benefits	62,046,849	-	31,760,287	30,286,562	-
<b>Total other liabilities</b>	<b>65,670,326</b>	<b>4,880,695</b>	<b>31,770,527</b>	<b>38,780,494</b>	<b>1,020,885</b>
<b>Business-type activities long-term liabilities</b>	<b>\$ 124,893,524</b>	<b>\$ 7,463,362</b>	<b>\$ 37,628,285</b>	<b>\$ 94,728,601</b>	<b>\$ 5,206,819</b>

**Construction Bonds Payable**

The State made available to the City subsidized bonds from the New York State Environmental Facilities Corporation in the amount of \$40,000,000. These bonds were issued to finance water fund projects. Interest rates range from 0.84% to 4.61% with maturity dates through October 2039. A portion of the interest is subsidized by the New York State Environmental Facilities Corporation.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

**Summary of Debt Service on Bonds to Maturity**

As of June 30, 2020, amounts due to service general obligation, school facility revenue bonds payable and construction bonds, principal and interest in future years, are as follows:

Governmental Activities:

Year ending June 30,	City		District		Total
	Principal	Interest	Principal	Interest	
2021	\$ 16,793,888	\$ 5,580,949	\$ 24,307,000	\$ 16,399,263	\$ 63,081,100
2022	17,285,115	5,012,332	24,242,000	14,775,541	61,314,988
2023	15,570,514	4,285,604	24,730,000	13,665,388	58,251,506
2024	11,272,694	3,666,520	25,450,000	12,562,238	52,951,452
2025	9,177,017	3,229,574	25,630,000	11,510,438	49,547,029
2026-2030	39,125,556	10,943,241	106,640,000	39,755,131	196,463,928
2031-2035	24,014,000	4,086,498	101,375,000	13,831,000	143,306,498
2036-2040	5,805,000	293,875	7,240,000	294,200	13,633,075
	<u>\$ 139,043,784</u>	<u>\$ 37,098,593</u>	<u>\$ 339,614,000</u>	<u>\$ 122,793,199</u>	<u>\$ 638,549,576</u>

Business-Type Activities:

Year ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2021	\$ 3,976,131	\$ 1,872,565	\$ 5,848,696
2022	4,132,885	1,734,928	5,867,813
2023	4,094,486	1,603,164	5,697,650
2024	4,087,306	1,474,626	5,561,932
2025	3,457,983	1,340,585	4,798,568
2026-2030	16,313,444	5,137,132	21,450,576
2031-2035	11,046,000	2,710,179	13,756,179
2036-2040	7,105,000	825,153	7,930,153
	<u>\$ 54,213,235</u>	<u>\$ 16,698,332</u>	<u>\$ 70,911,567</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

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**Short-Term Debt**

***Revenue Anticipation Notes Payable***

For governmental funds, notes issued in anticipation of the receipt of revenues are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The revenue anticipation notes represent a liability that will be extinguished by the use of expendable, available resources of the fund. The revenue anticipation notes issued by the City and outstanding at June 30, 2020 in the amount of \$48,400,000 were issued on November 21, 2019 at an interest rate of 2.00% and with a maturity date of July 7, 2020. The revenue anticipation notes issued by the District and outstanding at June 30, 2020 in the amount of \$23,664,000 were issued on April 15, 2020 at an interest rate of 1.77% and with a maturity date of July 31, 2020.

***Bond Anticipation Notes Payable***

For governmental and business-type funds, notes issued in anticipation of proceeds from the subsequent sale of serial bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the serial bond. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

Short-term debt activity for the year ended June 30, 2020:

	Balance at July 1, 2019	Additions	Reductions	Balance at June 30, 2020
Governmental activities:				
Revenue anticipation notes - City	\$ 42,600,000	\$ 48,400,000	\$ 42,600,000	\$ 48,400,000
Revenue anticipation notes - District	-	63,280,000	39,616,000	23,664,000
Bond anticipation notes - District	<u>23,000,000</u>	<u>-</u>	<u>23,000,000</u>	<u>-</u>
Total	<u>\$ 65,600,000</u>	<u>\$111,680,000</u>	<u>\$ 105,216,000</u>	<u>\$ 72,064,000</u>

**6. OPERATING LEASE COMMITMENTS AND LEASED ASSETS**

The City School District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2020 were approximately \$1,025,000. The minimum future non-cancelable operating lease payments as of June 30, 2020 were as follows:

2021	\$ 1,097,779
2022	779,064
2023	419,034
Thereafter	<u>135,695</u>
	<u>\$ 2,431,572</u>

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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The City has entered into various operating agreements for leases of various parking garages, lots and buildings. The parking garages, which are fully depreciated, cost approximately \$61,800,000 and are included in the transportation activity. Future minimum lease payments due to the City as of June 30, 2020 under non-cancelable operating leases were as follows:

2021	\$ 952,600
2022	934,200
2023	934,200
2024	934,200
2025	934,200
Thereafter	<u>2,145,690</u>
	<u>\$ 6,835,090</u>

The City entered into a lease agreement with the Syracuse Regional Airport Authority, a discretely presented component unit, which commenced on March 1, 2014, which is effective for an initial term of forty (40) years.

The lease agreement gives the Authority the exclusive right to operate, maintain and improve the Airport subject to certain restrictions and conditions. The renewals of the lease term are automatic for additional ten-year terms. The City retains physical ownership of the current and future land, buildings and improvements of the Airport made by or on behalf of the Authority. The City recorded approximately \$282,000 in nonoperating revenue from capital contributions during the year ended June 30, 2020. Upon termination or expiration of the lease agreement, the City is required to take all necessary actions to secure an Airport Operating Certificate from the Federal Aviation Administration in a timely fashion to ensure there is no interruption in Airport operations.

The land, buildings and improvements cost approximately \$434,963,000 with accumulated depreciation of approximately \$260,609,000 and are included in the governmental activities. The Authority is required to make rental payments to the City equal to the principal and interest due on Airport-related debt issued by the City. These rental payments totaled \$3,327,850 during the year ended June 30, 2020. Future minimum lease payments due to the City as of June 30, 2020 under this operating lease are as follows:

2021	\$ 3,320,650
2022	3,314,919
2023	3,303,388
2024	3,047,588
2025	3,045,638
2026-2030	15,238,346
2031-2035	15,241,663
2036-2039	<u>6,098,875</u>
	<u>\$ 52,611,067</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

**7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Receivables and Payables**

To improve cash management, most 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. The following schedule summarizes interfund receivables and payables at June 30, 2020:

	Amount Receivable	Amount Payable
General Fund	\$ 7,055,292	\$ -
Joint Schools Construction Board	-	4,221,967
City School District General Fund	9,477,892	-
City School District Special Aid Fund	-	22,528,319
Proprietary Funds:		
Water	-	6,911
Sewer	-	1,922
Internal Service Fund	-	1,999,080
Nonmajor Governmental Funds:		
Capital Projects Fund - City	-	-
Capital Projects Fund - District	9,898,795	-
Debt Service - District	965,162	-
Neighborhood and Business Development	-	161,314
Special Grants	-	2,551,936
SURA	97,278	2,431,407
School Food Service	5,758,825	-
Fiduciary	661,727	12,115
	<u>\$ 33,914,971</u>	<u>\$ 33,914,971</u>

The following schedule summarizes receivables and payables between the primary government and the component units at June 30, 2020:

	Amount Receivable	Amount Payable
Internal Service Fund	\$ 1,999,080	\$ -
Component Units:		
Syracuse Regional Airport Authority	-	1,999,080
	<u>\$ 1,999,080</u>	<u>\$ 1,999,080</u>

The amounts receivable and payable above are as of June 30, 2020. The interfund receivables and payables differences relating to the component units result from loans and other transactions in the normal course of business.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### Transfers

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to the Capital Projects and Debt Service Funds. They also facilitate the contribution of proprietary fund earnings to the General Fund. Interfund transfers are routine in nature. Transfers are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 2,825,000	\$ 19,835,481
Joint Schools Construction Board	250,000	720,127
City School District General Fund	4,636,108	15,679,392
City School District Special Aid Fund	5,639,070	2,230,679
Proprietary Funds:		
Water	-	2,300,000
Sewer	-	525,000
Nonmajor Governmental Funds:		
Capital Projects Fund - City	3,581,000	-
Capital Projects Fund - District	4,100,000	270,913
Debt Service Fund - City	16,653,874	-
Debt Service Fund - District	5,961,235	-
Oil and Flushing	-	399,393
School Food Service Fund	-	1,685,302
	<u>\$ 43,646,287</u>	<u>\$ 43,646,287</u>

#### 8. RETIREMENT PLANS

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

The City, SURA and the District participate in the New York State and Local Employees' Retirement System (NYSERS). 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 (NYSPFRS). 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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City, SURA and the District also participate in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The NYSERS and NYSPFRS are noncontributory except for employees who joined the NYSERS and NYSPFRS after July 27th, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% 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.

#### City:

#### Contributions

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

	NYSERS		NYSPFRS	
June 30, 2020	\$	5,679,707	\$	18,763,965
June 30, 2019		5,905,334		17,400,968
June 30, 2018		5,904,529		18,376,866

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

At June 30, 2020, the City reported net pension liabilities for its proportionate share of the NYSERS and NYSPFRS net pension liabilities. The net pension liabilities measured as of March 31, 2020, and the total pension liability used to calculate the net pension liabilities were determined by the actuarial valuation as of April 1, 2019. The City's proportion of the net pension liabilities were based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020, the City reported the following:

	NYSERS		NYSPFRS	
City's Proportion Percent		0.1459257%		2.0404490%
Net Pension Liability	\$	38,641,971	\$	109,060,719
Pension Expense		12,966,591		39,363,143

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

The allocation of the net pension liability and pension expense for governmental activities at June, 30 2020 was as follows:

	<u>NYSERS</u>		<u>NYSPPFRS</u>
City's Proportion Percent	0.1232488%		2.0404490%
Net Pension Liability	\$ 32,636,850	\$	109,060,719
Pension Expense	10,951,583		39,363,143

The allocation of the net pension liability and pension expense for business-type activities at June, 30 2020 was as follows:

	<u>NYSERS</u>
City's Proportion Percent	0.0226769%
Net Pension Liability	\$ 6,005,121
Pension Expense	2,015,008

At June 30, 2020, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPFRS</u>
Differences between expected and actual experience	\$ 2,274,236	\$ 7,262,295
Net difference between projected and actual earnings on pension plan investments	19,809,753	49,113,473
Changes in proportion and differences between the City's contributions and proportionate share of contributions	66,539	3,443,151
Changes in assumptions	778,066	9,322,053
Contributions subsequent to the measurement date	<u>1,430,387</u>	<u>4,494,058</u>
Total	<u>\$ 24,358,981</u>	<u>\$ 73,635,030</u>
	<u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPFRS</u>
Differences between expected and actual experience	\$ -	\$ 1,826,755
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	374,220	1,278,294
Changes in assumptions	<u>671,847</u>	<u>-</u>
Total	<u>\$ 1,046,067</u>	<u>\$ 3,105,049</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

The allocation of deferred inflows and outflows for the governmental activities at June 30, 2020 were as follows:

	Deferred Outflows of Resources	
	NYSERS	NYSPFRS
Differences between expected and actual experience	\$ 1,920,820	\$ 7,262,295
Net difference between projected and actual earnings on pension plan investments	16,731,216	49,113,473
Changes in proportion and differences between the City's contributions and proportionate share of contributions	56,199	3,443,151
Changes of assumptions	657,155	9,322,053
Contributions subsequent to the measurement date	<u>1,208,105</u>	<u>4,494,058</u>
 Total	 <u>\$ 20,573,495</u>	 <u>\$ 73,635,030</u>
	Deferred Inflows of Resources	
	NYSERS	NYSPFRS
Differences between expected and actual experience	\$ -	\$ 1,826,755
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	316,066	1,278,294
Contributions subsequent to the measurement date	<u>567,438</u>	<u>-</u>
 Total	 <u>\$ 883,504</u>	 <u>\$ 3,105,049</u>

The allocation of deferred inflows and outflows for the business-type activities at June 30, 2020 were as follows:

	Deferred Outflows of Resources
	NYSERS
Differences between expected and actual experience	\$ 353,416
Net difference between projected and actual earnings on pension plan investments	3,078,537
Changes in proportion and differences between the City's contributions and proportionate share of contributions	10,340
Changes of assumptions	120,911
Contributions subsequent to the measurement date	<u>222,282</u>
 Total	 <u>\$ 3,785,486</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

	<u>Deferred Inflows of Resources</u>
	<u>NYSERS</u>
Differences between expected and actual experience	\$ -
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	58,154
Contributions subsequent to the measurement date	<u>104,409</u>
 Total	 <u>\$ 162,563</u>

The City recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020, which will result in a reduction of the net pension liabilities in the year ended June 30, 2021.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Plan's Year Ended March 31:	<u>Governmental Activities</u>	
	<u>NYSERS</u>	<u>NYSPFRS</u>
2021	\$ 3,043,805	\$ 14,206,942
2022	4,649,455	15,389,929
2023	5,988,323	19,142,022
2024	4,800,303	16,075,495
2025	-	1,221,535
Thereafter	-	-
	<u>\$ 18,481,886</u>	<u>\$ 66,035,923</u>

Plan's Year Ended March 31:	<u>Business-Type Activities</u>
	<u>NYSERS</u>
2020	\$ 560,037
2021	855,464
2022	1,101,806
2023	883,334
2024	-
Thereafter	-
	<u>\$ 3,400,641</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

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**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 liabilities calculated using the discount rate of 6.8%, as well as what the City's proportionate share of the net pension liabilities would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Proportionate Share of Net Pension Liability (Asset) - NYSERS	\$ 70,918,927	\$ 38,641,971	\$ 8,914,758
Proportionate Share of Net Pension Liability (Asset) - NYSPFRS	195,002,788	109,060,719	32,097,651

**SURA:**

**Contributions**

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

	<u>NYSERS</u>	
June 30, 2020	\$	429,548
June 30, 2019		471,112
June 30, 2018		483,966

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

At June 30, 2020, SURA reported a net pension liability of \$3,103,533 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2019. SURA's proportion of the net pension liability was based on a projection of SURA's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019 SURA's proportion was 0.0117200%, which was a decrease of 0.0012321% from its proportionate share measured at June 30, 2019.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

For the year ended June 30, 2020, SURA recognized pension expense of \$429,548. At June 30, 2020, SURA reported deferred outflows/inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 182,655	\$ -
Changes in assumptions	62,490	53,959
Net difference between projected and actual earnings on pension plan investments	1,591,022	-
Changes in proportion and difference between SURA's contributions and proportionate share of contributions	<u>12,899</u>	<u>158,201</u>
Total	<u>\$ 1,849,066</u>	<u>\$ 212,160</u>

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

Plan's Year Ended March 31:

2021	\$ 248,961
2022	406,948
2023	539,526
2024	441,471
2025	-
Thereafter	<u>-</u>
	<u>\$ 1,636,906</u>

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

The following presents SURA's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what SURA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Proportionate Share of Net Pension Liability (Asset)	\$ 5,695,859	\$ 3,103,533	\$ 715,989

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

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**District:**

**Contributions**

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

	<u>NYSERS</u>	
June 30, 2020	\$	5,897,634
June 30, 2019		5,984,280
June 30, 2018		5,649,960

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

At June 30, 2020, the District reported a net pension liability of \$39,238,629 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2020, the District's proportion was 0.1481789%, which was a decrease of 0.0035915% from its proportionate share measured at March 31, 2019.

For the year ended June 30, 2020, the District recognized pension expense of \$13,493,914. At June 30, 2020, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,309,352	\$ -
Changes in assumptions	790,080	682,221
Net difference between projected and actual earnings on pension plan investments	20,115,628	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	577,092	183,880
Contributions subsequent to the measurement date	<u>1,537,100</u>	<u>-</u>
Total	<u>\$ 25,329,252</u>	<u>\$ 866,101</u>

The District recognized \$1,537,100 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020, which will be a reduction of the net pension liability in the year ended June 30, 2021.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

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

Plan's Year Ended March 31:

2021	\$ 3,962,741
2022	5,794,439
2023	7,345,436
2024	5,823,435
2025	-
Thereafter	-
	<u>\$ 22,926,051</u>

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Proportionate Share of Net Pension Liabilities (Assets)	\$ 72,013,963	\$ 39,238,629	\$ 9,052,408

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liabilities of the employers as of March 31, 2020 were as follows:

	ERS	PFRS
Total pension liability	\$ 194,596,261,000	\$ 35,309,017,000
Net position	(168,115,682,000)	(29,964,080,000)
Net pension liability (asset)	<u>\$ 26,480,579,000</u>	<u>\$ 5,344,937,000</u>
Fiduciary net position as a percentage of total pension liability	86.39%	84.86%

**Actuarial Assumptions**

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.2% for ERS, 5.0% for PFRS indexed by service
Projected COLAs	1.3% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	6.8% compounded annually, net of investment expenses

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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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 weighting the expected future 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 asset allocation as of March 31, 2020 are summarized below:

#### Long-Term Expected Rate of Return

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36.0	4.05
International Equity	14.0	6.15
Private Equity	10.0	6.75
Real Estate	10.0	4.95
Absolute Return	2.0	3.25
Opportunistic Portfolio	3.0	4.65
Real Assets	3.0	5.95
Bonds & Mortgages	17.0	0.75
Cash	1.0	0.00
Inflation-Indexed Bonds	<u>4.0</u>	0.50
	<u>100.0</u>	

#### Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the 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.

#### New York State Teacher Retirement System (NYSTRS)

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The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost sharing, multiple employer public employee retirement system. NYSTRS offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

#### Contributions

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after July 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid through their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>NYSTRS</u>	
June 30, 2020	\$	20,169,382
June 30, 2019		18,028,006
June 30, 2018		20,788,074

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

At June 30, 2020, the District reported a net pension asset of \$29,560,359 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2018. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019, the District's proportionate share was 1.137809%, which was an increase of 0.008454% from its proportionate share measured at June 30, 2018.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

For the year ended June 30, 2020, the District recognized pension expense of \$35,724,402. At June 30, 2020, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,032,301	\$ 2,198,166
Changes in assumptions	55,843,473	13,616,218
Net difference between projected and actual earnings on pension plan investments	-	23,705,883
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,094,936	3,655,667
Contributions subsequent to the measurement date	<u>17,250,303</u>	<u>-</u>
 Total	 <u>\$ 94,221,013</u>	 <u>\$ 43,175,934</u>

The District recognized \$17,250,303 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2019 that are recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:

2020	\$ 12,596,980
2021	72,039
2022	12,548,507
2023	8,742,707
2024	911,235
Thereafter	<u>(1,076,694)</u>
	 <u>\$ 33,794,774</u>

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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#### Actuarial Assumptions

The total pension asset at the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension asset to June 30, 2019. These actuarial valuations used the following actuarial assumptions:

Actuarial Cost Method	Entry Normal Age										
Inflation	2.20%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th>Service</th><th>Rate</th></tr></thead><tbody><tr><td>5</td><td>4.72%</td></tr><tr><td>15</td><td>3.46%</td></tr><tr><td>25</td><td>2.37%</td></tr><tr><td>35</td><td>1.90%</td></tr></tbody></table>	Service	Rate	5	4.72%	15	3.46%	25	2.37%	35	1.90%
Service	Rate										
5	4.72%										
15	3.46%										
25	2.37%										
35	1.90%										
Projected COLAs	1.3% compounded annually										
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.										

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2019 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	33.0	6.3
International Equity	16.0	7.8
Global Equities	4.0	7.2
Real Estate Equities	11.0	4.6
Private Equities	8.0	9.9
Domestic Fixed Income	16.0	1.3
Global Bonds	2.0	0.9
Private Debt	1.0	6.5
Real Estate Debt	7.0	2.9
High-Yield Bonds	1.0	3.6
Cash Equivalents	<u>1.0</u>	0.3
	<u>100.0</u>	

**Discount Rate**

The discount rate used to measure the total pension asset was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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 (asset).

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

The following presents the net pension liability (asset) of the District using the discount rate of 7.10 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount (7.10%)	1% Increase (8.10%)
Proportionate Share of Net Pension Liabilities (Assets)	\$ 133,432,375	\$ (29,560,359)	\$ (166,292,869)

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2019, were as follows:

	NYSTRS
Total pension liability	\$ 119,879,473,882
Net position	(122,477,480,654)
Net pension liability (asset)	<u>\$ (2,598,006,772)</u>
Fiduciary net position as a percentage of total pension liability	102.2%

**Summary of Net Pension Asset, Liabilities, Deferred Outflows and Deferred Inflows**

The components of the net pension asset, net pension liabilities, and deferred outflows of resources and deferred inflows of resources are as follows as of June 30, 2020:

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental activities:				
City NYSERS	\$ -	\$ 32,636,850	\$ 20,573,495	\$ 883,504
City NYSPFRS	-	109,060,719	73,635,030	3,105,049
SURA NYSERS	-	3,103,533	1,849,066	212,160
District NYSERS	-	39,238,629	25,329,252	866,101
District NYSTRS	<u>29,560,359</u>	<u>-</u>	<u>94,221,013</u>	<u>43,175,934</u>
Total governmental activities	<u>\$ 29,560,359</u>	<u>\$ 184,039,731</u>	<u>\$ 215,607,856</u>	<u>\$ 48,242,748</u>
Business-type activities:				
City NYSERS	<u>\$ -</u>	<u>\$ 6,005,121</u>	<u>\$ 3,785,486</u>	<u>\$ 162,563</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 6,005,121</u>	<u>\$ 3,785,486</u>	<u>\$ 162,563</u>

**Other Amounts Due to NYSERS for Chapter 57 Costs**

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-2011, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For State fiscal year 2010-2011, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contributions rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the employer opts to participate in the program. The total unpaid liability for the year ended June 30, 2020 was \$694,090 of which \$684,372 is reported in the governmental activities and \$9,718 in the business-type activities.

#### 9. SELF INSURANCE

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City is primarily self-insured for medical, dental, workers' compensation and general liability claims. Property coverage exists for certain buildings including City Hall, airport terminal, City Hall Commons, Department of Public Works and all city schools for losses in excess of \$100,000 per occurrence.

With the exception of the City School District and the proprietary funds, the City currently reports all of its risk management activities in the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss occurred and the amount of that loss can be reasonably estimated. Liabilities accrued include an estimate of claims that have been incurred but not reported.

The estimated liability for health and dental claims is based on prior experience with actual payments of claims. The estimated liability for workers' compensation represent claims which have occurred and are open, due to an actual or future final determination of benefit payout as prescribed by the New York State Workers' Compensation Board. Judgments and claims liability is based on estimates received from the City's Department of Law or external counsel defending the claims.

The City believes these provisions, as described in Note 5, are adequate to cover their liability for claims based on current available information, but these estimates may differ from the amount ultimately paid when claims are settled.

#### 10. OTHER POSTEMPLOYMENT BENEFITS

##### Plan Description

The City's defined benefit OPEB plan, provides OPEB for all employees with 10 years of service for members in the NYSERS and 20 years of service for members in the PFRS. Retirees and spouses who are Medicare eligible are not required to contribute to retiree group health care benefits. If not Medicare-eligible, contributions vary by bargaining unit. The City's OPEB plan covers employees of SURA as well as the City.

The District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2020

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The plans are a single-employer defined benefit OPEB plans administered by the City and District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City and District's governing bodies. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

#### Benefits Provided

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

#### Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

	<u>City &amp; SURA</u>	<u>District</u>
Inactive employees or beneficiaries currently receiving benefits	1,838	3,324
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	<u>1,583</u>	<u>2,988</u>
Total participants	<u><u>3,421</u></u>	<u><u>6,312</u></u>

#### Total OPEB Liability

The City and the District's total liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

	<u>City &amp; SURA</u>	<u>District</u>	<u>Total</u>
Governmental Activities	\$ 430,563,083	\$ 288,104,905	718,667,988
Business Type Activities	30,286,562	-	30,286,562

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	City & SURA	District
Reporting Date	6/30/2020	6/30/2020
Measurement Date	6/30/2020	6/30/2020
Actuarial Valuation Date	7/1/2019	7/1/2019
Discount Rate	2.45%	2.45%
Rate of compensation increase	4.50%	3.00%
Inflation rate	2.25%	2.25%
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay	Level Percentage
Amortization Period	Varies by Group	7.114 years

The discount rate above was based on an analysis of returns on the Fidelity General Obligation 20-Year AA Municipal Bond Index as of June 30, 2019 and June 30, 2020, which yielded discount rates of 3.13% and 2.45% respectively.

Mortality rates were based on the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2018 mortality improvement scale on a fully generational basis. This assumption was based on a review of published mortality tables and the demographics of the Plan.

The actuarial assumptions used in the July 1, 2019 valuation were based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of cost sharing between the employer and plan members.

**Changes in the Total OPEB Liability**

	City & SURA	District
Balance at June 30, 2019	\$ 867,202,586	\$ 645,083,084
Changes for the Year-		
Service cost	15,748,910	7,790,200
Interest	13,577,148	8,564,800
Changes of benefit terms	-	-
Changes in assumptions or other inputs	38,477,648	28,637,682
Differences between expected and actual experience	(457,421,643)	(389,052,209)
Benefit payments	<u>(16,735,004)</u>	<u>(12,918,652)</u>
Net changes	<u>(406,352,941)</u>	<u>(356,978,179)</u>
Balance at June 30, 2020	<u>\$ 460,849,645</u>	<u>\$ 288,104,905</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% as of July 1, 2019, to 2.45% as of June 30, 2020.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

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

The following present the total OPEB liability of the City and District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45%) or 1 percentage point higher (3.45%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
City OPEB Liability	\$ 528,343,113	\$ 460,849,645	\$ 406,056,787
District OPEB Liability	\$ 325,491,647	\$ 288,104,905	\$ 257,016,042

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
City OPEB Liability	\$ 394,361,448	\$ 460,849,645	\$ 545,972,846
District OPEB Liability	\$ 244,061,296	\$ 288,104,905	\$ 343,882,156

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

For the year ended June 30, 2020, the City and the District recognized OPEB expense of \$(47,058,097) and \$(38,019,076), respectively. At June 30, 2020, the City and the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City & SURA:				
Change of assumptions	\$ -	\$ (14,367,531)	\$ -	\$ (1,519,329)
Difference between expected and actual experience	<u>30,910,687</u>	<u>(349,948,140)</u>	<u>2,306,877</u>	<u>(28,364,980)</u>
Total City & SURA	<u>30,910,687</u>	<u>(364,315,671)</u>	<u>2,306,877</u>	<u>(29,884,309)</u>
District:				
Change of assumptions	24,612,143	(18,093,203)	-	-
Difference between expected and actual experience	<u>-</u>	<u>(336,199,148)</u>	<u>-</u>	<u>-</u>
Total District	<u>24,612,143</u>	<u>(354,292,351)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 55,522,830</u>	<u>\$ (718,608,022)</u>	<u>\$ 2,306,877</u>	<u>\$ (29,884,309)</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2020**

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

Fiscal Year Ending June	Governmental Activities		Business-type Activities
	City & SURA	District	City & SURA
2021	\$ (69,376,053)	\$ (54,374,076)	\$ (6,452,788)
2022	(69,376,053)	(54,374,076)	(6,452,788)
2023	(69,376,053)	(54,374,076)	(6,452,788)
2024	(68,252,139)	(54,374,076)	(6,359,651)
2025	(56,101,648)	(54,374,076)	(1,859,417)
Thereafter	(923,038)	(57,809,828)	-
	<u>\$(333,404,984)</u>	<u>\$(329,680,208)</u>	<u>\$ (27,577,432)</u>

**11. CONTINGENCIES AND COMMITMENTS**

Numerous real estate tax certiorari proceedings are presently pending against the City of Syracuse, New York on grounds of alleged inequality of assessment. Adverse decisions to the City could have a substantial impact through the reduction of assessments and tax refunds to successful litigants. Since the outcome of these proceedings cannot presently be determined, no provision for this exposure, if any, has been included in the accompanying basic financial statements.

The City has a potential liability for employees who are not entered into the Retirement System due to the fact that they were never offered the right to join. Any potential liability relating to this contingency is not determinable at June 30, 2020.

The City and the District have received grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the City's administration believes disallowances, if any, will either be immaterial or cannot be reasonably estimated.

**12. ENVIRONMENTAL REMEDIATION**

In March 2015, the City was named a potential responsible party for the release of hazardous substances into the environment at the Lower Ley Creek, Onondaga Lake Site, located in Onondaga County, New York. The City and the other named responsible parties consented to pay for a remediation investigation. To date, the City paid \$247,900 for this investigation. Once the investigation is complete, there may be additional liability related to this matter; however, an amount cannot be determined at this point, therefore, no liability has been accrued in the current fiscal year.

**13. SUBSEQUENT EVENTS**

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.

## **CITY OF SYRACUSE, NEW YORK**

### **Notes to Basic Financial Statements**

**June 30, 2020**

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On November 20, 2020, the City issued \$46,000,000 in Revenue Anticipation Notes at 1.50% maturing on July 30, 2021 to cover expected shortfall due to timing of cash receipts from all sources related to the City. The City of Syracuse, New York Common Council approved the request October 26, 2020.

On July 31, 2020, the School District paid off the full amount of \$23,664,000 in outstanding Series 2020A Revenue Anticipation Notes that had been issued on April 15, 2020 at 1.77% to cover an expected cash flow shortage due to anticipated delay in cash receipts during the pandemic.

On September 30, 2020, the School District issued \$85,967,000 in Series 2020B Revenue Anticipation Notes Series at 2.00% maturing on July 30, 2021 to cover an expected cash flow shortage due to the timing of cash receipts from all sources. The request was approved by the City of Syracuse, New York Common Council on September 14, 2020.

On October 14, 2020, October 29, 2020, and November 9, 2020, respectively, the Syracuse City School District's Board of Education, JSCB, and the City's Common Council approved resolutions to authorize the issuance of revenue refunding bonds for an aggregate principal amount not to exceed \$30,600,000 (the "Series 2021A Bonds") to refund all or a portion of the previously issued and outstanding Series 2010A Bonds and Series 2011A Bonds. The Series 2010A and 2011A Bonds were originally issued to finance the costs of the reconstruction, rehabilitation and construction of Dr. Weeks Elementary School, Clary Middle School, Shea Middle School, H. W. Smith Elementary School and PSLA at Fowler High School.

**CITY OF SYRACUSE, NEW YORK**

**Required Supplementary Information (Unaudited)**

**Statement of Revenues, Expenditures and Encumbrances - Budget and Actual (Budgetary Basis) - General Fund**

**For the Year Ended June 30, 2020**

	<u>General Fund</u>			Variance Favorable
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<b>REVENUES:</b>				
General property taxes and tax items	\$ 45,216,966	\$ 45,216,966	\$ 39,725,982	\$ (5,490,984)
Sales and use taxes	92,919,032	92,919,032	85,414,655	(7,504,377)
Other local taxes	3,062,000	3,062,000	2,999,440	(62,560)
Departmental revenues	12,390,859	12,390,859	11,605,974	(784,885)
Intergovernmental charges	224,900	224,900	316,918	92,018
Licenses and permits	2,730,130	2,730,130	2,044,389	(685,741)
Fines and forfeitures	3,744,000	3,744,000	3,054,629	(689,371)
Sale of property and compensation for loss	278,575	278,575	427,233	148,658
Use of money and property	767,000	767,000	686,185	(80,815)
Federal and state aid and other grants	77,868,053	77,868,053	68,635,480	(9,232,573)
Other revenues	<u>2,726,800</u>	<u>2,726,800</u>	<u>4,512,493</u>	<u>1,785,693</u>
<b>Total revenues</b>	<u>241,928,315</u>	<u>241,928,315</u>	<u>219,423,378</u>	<u>(22,504,937)</u>
<b>EXPENDITURES:</b>				
Current:				
General government support	30,010,752	30,446,137	25,189,907	5,256,230
Public safety	153,219,643	151,552,096	143,512,253	8,039,843
Transportation	21,447,578	22,781,331	21,141,430	1,639,901
Home and community services	13,554,797	13,566,307	12,820,309	745,998
Culture and recreation	12,212,204	12,090,204	9,847,787	2,242,417
Interest on debt	<u>580,000</u>	<u>588,900</u>	<u>624,367</u>	<u>(35,467)</u>
<b>Total expenditures</b>	<u>231,024,974</u>	<u>231,024,975</u>	<u>213,136,053</u>	<u>17,888,922</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>10,903,341</u>	<u>10,903,340</u>	<u>6,287,325</u>	<u>(4,616,015)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond proceeds	-	-	550,000	550,000
Premium on issuance of BANs and RANs	-	-	208,120	208,120
Premium on bonds	-	-	81,739	81,739
Operating transfers in	2,825,000	2,825,000	2,825,000	-
Operating transfers out	<u>(21,501,340)</u>	<u>(21,501,340)</u>	<u>(19,835,481)</u>	<u>1,665,859</u>
<b>Total other financing uses - net</b>	<u>(18,676,340)</u>	<u>(18,676,340)</u>	<u>(16,170,622)</u>	<u>2,505,718</u>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES</b>	<u>\$ (7,772,999)</u>	<u>\$ (7,773,000)</u>	<u>(9,883,297)</u>	<u>\$ (2,110,297)</u>
<b>EFFECT OF ENCUMBRANCES</b>			<u>(7,655)</u>	
<b>CHANGE IN FUND BALANCE</b>			<u>\$ (9,890,952)</u>	

CITY OF SYRACUSE, NEW YORK

Required Supplementary Information (Unaudited)

Statement of Revenues, Expenditures and Encumbrances - Budget and Actual (Budgetary Basis) - City School District General Fund  
For the Year Ended June 30, 2020

	General Fund City School District			Add: Current Year Encumbrances	Total Current Year Expenditures and Encumbrances	Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual Total CSD			
<b>REVENUES:</b>						
General property taxes and tax items	\$ 61,707,833	\$ 60,807,833	\$ 61,161,816	\$ -	\$ 61,161,816	\$ 353,983
Sales tax and use taxes	674,320	549,320	688,347	-	688,347	139,027
Sale of property and compensation for loss	51,100	51,100	1,337,001	-	1,337,001	1,285,901
Use of money and property	431,000	431,000	260,409	-	260,409	(170,591)
Federal and state aid and other grants	369,417,869	369,017,869	368,683,338	-	368,683,338	(334,531)
Other revenues	<u>2,969,121</u>	<u>2,969,121</u>	<u>2,557,771</u>	-	<u>2,557,771</u>	<u>(411,350)</u>
Total revenues	<u>435,251,243</u>	<u>433,826,243</u>	<u>434,688,682</u>	-	<u>434,688,682</u>	<u>862,439</u>
<b>EXPENDITURES:</b>						
Current:						
General government support	71,951,829	77,839,664	68,439,209	1,397,133	69,836,342	8,003,322
Home and community services	-	-	-	6,055,044	6,055,044	(6,055,044)
Education	360,998,854	340,483,019	321,066,853	116,962	321,183,815	19,299,204
Pass-through New York State funding to JSCB	20,867,794	20,867,794	20,543,696	-	20,543,696	324,098
Interest on debt	<u>2,026,300</u>	<u>2,026,300</u>	<u>1,439,842</u>	-	<u>1,439,842</u>	<u>586,458</u>
Total expenditures	<u>455,844,777</u>	<u>441,216,777</u>	<u>411,489,600</u>	<u>7,569,139</u>	<u>419,058,739</u>	<u>22,158,038</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(20,593,534)</u>	<u>(7,390,534)</u>	<u>23,199,082</u>	<u>(7,569,139)</u>	<u>15,629,943</u>	<u>23,020,477</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Premium on issuance of RANS	250,000	250,000	145,391	-	145,391	(104,609)
Operating transfers in	5,000,000	4,500,000	4,636,108	-	4,636,108	136,108
Operating transfers out	<u>(16,796,228)</u>	<u>(13,796,228)</u>	<u>(15,679,392)</u>	-	<u>(15,679,392)</u>	<u>(1,883,164)</u>
Total other financing uses - net	<u>(11,546,228)</u>	<u>(9,046,228)</u>	<u>(10,897,893)</u>	-	<u>(10,897,893)</u>	<u>(1,851,665)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES	<u>\$ (32,139,762)</u>	<u>\$ (16,436,762)</u>	<u>\$ 12,301,189</u>	<u>\$ (7,569,139)</u>	<u>\$ 4,732,050</u>	<u>\$ 21,168,812</u>

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)  
For the Year Ended June 30, 2020**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>City (including SURA):</b>										
<b>Total OPEB Liability</b>										
Service cost	\$ 15,748,910	\$ 27,628,631	\$ 26,872,640							
Interest	13,577,148	31,336,832	29,839,653							
Changes of benefit terms	-	-	(72,246)							
Differences between expected and actual experience	(457,421,643)	(101,816)	2,495,420							
Changes in assumptions	38,477,648	(17,737,265)	(7,975,348)							
Benefit payments	(16,735,004)	(23,907,031)	(24,993,401)							
<b>Total change in total OPEB liability</b>	<b>(406,352,941)</b>	<b>17,219,351</b>	<b>26,166,718</b>							
<b>Total OPEB liability - beginning</b>	<b>867,202,586</b>	<b>849,983,235</b>	<b>823,816,517</b>							
<b>Total OPEB liability - ending</b>	<b>\$ 460,849,645</b>	<b>\$ 867,202,586</b>	<b>\$ 849,983,235</b>							
<b>Covered-employee payroll</b>	<b>\$ 119,992,187</b>	<b>\$ 124,496,493</b>	<b>\$ 119,321,070</b>							
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>384.1%</b>	<b>696.6%</b>	<b>712.4%</b>							

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	2.45%	3.13%	3.62%	3.56%
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The actuarial cost method is Entry Age Normal

As of June 30, 2020, the mortality assumption was revised to better reflect future expectations. This resulted in a decrease in the liability.

As of June 30, 2020 the annual rate of increase in healthcare costs was revised to better reflect future expectations. This resulted in a decrease in the liability.

As of June 30, 2020 the discount rate changed from 3.13% to 2.45%. This resulted in an increase in the liability.

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

Continued...

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)  
For the Year Ended June 30, 2020**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>City School District:</b>										
<b>Total OPEB Liability</b>										
Service cost	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347	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.						
Interest	8,564,800	23,616,910	22,589,595							
Changes of benefit terms	-	-	-							
Differences between expected and actual experience	(389,052,209)	(2,242,757)	(314,221)							
Changes in assumptions	28,637,682	(19,845,230)	(5,655,185)							
Benefit payments	(12,918,652)	(17,693,310)	(18,514,661)							
<b>Total change in total OPEB liability</b>	<b>(356,978,179)</b>	<b>3,181,043</b>	<b>17,208,875</b>							
<b>Total OPEB liability - beginning</b>	<b>645,083,084</b>	<b>641,902,041</b>	<b>624,693,166</b>							
<b>Total OPEB liability - ending</b>	<b>\$ 288,104,905</b>	<b>\$ 645,083,084</b>	<b>\$ 641,902,041</b>							
<b>Covered-employee payroll</b>	<b>\$ 229,649,395</b>	<b>\$ 225,440,334</b>	<b>\$ 239,120,856</b>							
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>125.5%</b>	<b>286.1%</b>	<b>268.4%</b>							

**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	2.45%	3.13%	3.62%	3.56%
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The actuarial cost method is Entry Age Normal

As of June 30, 2020, the mortality assumption was revised to better reflect future expectations. This resulted in an increase in the liability.

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**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

Concluded.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)  
For the Year Ended June 30, 2020**

**CITY SCHOOL DISTRICT:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%	0.1295850%				
Proportionate share of the net pension liability (asset)	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238	\$ 4,378				
Covered-employee payroll	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	86.23%	24.67%	10.65%	32.92%	57.28%	13.08%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%				

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

**NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%	1.072093%				
Proportionate share of the net pension liability (asset)	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)	\$ (119,425)				
Covered-employee payroll	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.18%	-10.76%	-4.80%	6.95%	-69.17%	-75.41%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%				

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

**CITY:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	0.1459257%	0.1515259%	0.1498164%	0.1496258%	0.1546223%	0.1565137%				
Proportionate share of the net pension liability (asset)	\$ 38,642	\$ 10,736	\$ 4,835	\$ 14,059	\$ 24,817	\$ 5,287				
Covered-employee payroll	\$ 41,924	\$ 41,494	\$ 42,076	\$ 43,056	\$ 42,286	\$ 41,497				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	92.17%	11.49%	11.49%	32.65%	58.69%	12.74%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%				

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

**NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	2.0404490%	1.8935108%	2.0749315%	2.073579%	2.134004%	2.004215%				
Proportionate share of the net pension liability (asset)	\$ 109,061	\$ 31,755	\$ 20,973	\$ 42,978	\$ 63,183	\$ 5,517				
Covered-employee payroll	\$ 71,697	\$ 75,566	\$ 71,067	\$ 72,008	\$ 73,152	\$ 68,523				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	152.11%	42.02%	29.51%	59.69%	86.37%	8.05%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.86%	95.09%	96.90%	93.50%	90.24%	99.00%				

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

**SURA:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset)	0.0011720%	0.0129521%	0.0135654%	0.0131048%	0.0127652%	0.0152489%				
Proportionate share of the net pension liability (asset)	\$ 3,104	\$ 918	\$ 438	\$ 1,231	\$ 2,049	\$ 515				
Covered-employee payroll	\$ 3,153	\$ 3,547	\$ 3,398	\$ 3,266	\$ 2,958	\$ 3,298				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	98.44%	25.87%	12.89%	37.69%	69.27%	15.62%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%				

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

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Contributions - Pension Plans (Unaudited)  
For the Year Ended June 30, 2020**

**CITY SCHOOL DISTRICT:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656	\$ 5,817				
Contributions in relation to the contractually required contribution	5,898	5,984	5,650	5,409	5,656	5,817				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468				
Contributions as a percentage of covered-employee payroll	12.96%	13.73%	13.07%	13.76%	15.25%	17.38%				

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

**NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 20,169	\$ 18,028	\$ 22,634	\$ 25,005	\$ 29,175	\$ 25,734				
Contributions in relation to the contractually required contribution	20,169	18,028	22,634	25,005	29,175	25,734				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365				
Contributions as a percentage of covered-employee payroll	10.36%	9.50%	12.76%	14.26%	18.47%	16.25%				

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

**CITY:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 5,680	\$ 5,905	\$ 5,905	\$ 6,156	\$ 6,600	\$ 7,523				
Contributions in relation to the contractually required contribution	5,680	5,905	5,905	6,156	6,600	7,523				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 41,924	\$ 41,494	\$ 42,076	\$ 43,056	\$ 42,286	\$ 41,497				
Contributions as a percentage of covered-employee payroll	13.55%	14.23%	14.03%	14.30%	15.61%	18.13%				

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

**NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 18,764	\$ 17,400	\$ 18,377	\$ 18,918	\$ 17,767	\$ 17,777				
Contributions in relation to the contractually required contribution	18,764	17,400	18,377	18,918	17,767	17,777				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 71,697	\$ 75,566	\$ 71,067	\$ 72,008	\$ 73,152	\$ 68,523				
Contributions as a percentage of covered-employee payroll	26.17%	23.03%	25.86%	26.27%	24.29%	25.94%				

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

**SURA:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 430	\$ 471	\$ 484	\$ 453	\$ 427	\$ 427				
Contributions in relation to the contractually required contribution	430	471	484	453	427	427				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 3,153	\$ 3,547	\$ 3,398	\$ 3,266	\$ 2,958	\$ 3,298				
Contributions as a percentage of covered-employee payroll	13.64%	13.28%	14.24%	13.87%	14.44%	12.95%				

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

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2020**

	Capital Projects (Combined)	Debt Service (Combined)	Permanent Funds (Combined)	Special Revenue (Combined)	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,456,571	\$ -	\$ -	\$ 3,056,916	\$ 12,513,487
Restricted cash and cash equivalents	22,326,037	7,622,862	27,039	4,311,337	34,287,275
Loans receivable	-	-	-	14,434,346	14,434,346
Accounts receivable	-	5,061,486	-	87,021	5,148,507
Taxes receivable, net	-	-	-	15,748	15,748
Due from other funds	9,898,795	965,162	-	5,856,103	16,720,060
Due from other governments	3,777,095	-	-	5,025,364	8,802,459
Inventory	-	-	-	573,246	573,246
Prepays and other assets	-	-	-	14,797	14,797
Total assets	<u>\$ 45,458,498</u>	<u>\$ 13,649,510</u>	<u>\$ 27,039</u>	<u>\$ 33,374,878</u>	<u>\$ 92,509,925</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 1,424,890	\$ -	\$ -	\$ 2,373,604	\$ 3,798,494
Due to other funds	-	-	-	5,144,657	5,144,657
Due to other governments	-	-	-	55,035	55,035
Unearned revenue	-	-	-	1,721,918	1,721,918
Loans payable	-	-	-	14,575,713	14,575,713
Other liabilities	-	-	-	91,979	91,979
Total liabilities	<u>1,424,890</u>	<u>-</u>	<u>-</u>	<u>23,962,906</u>	<u>25,387,796</u>
Deferred inflows of resources:					
Unavailable revenue	<u>-</u>	<u>5,061,486</u>	<u>-</u>	<u>12,606</u>	<u>5,074,092</u>
Fund Balance:					
Nonspendable	-	-	10,000	573,246	583,246
Restricted	32,144,180	8,588,024	17,039	8,390,616	49,139,859
Committed	<u>11,889,428</u>	<u>-</u>	<u>-</u>	<u>435,504</u>	<u>12,324,932</u>
Total fund balances	<u>44,033,608</u>	<u>8,588,024</u>	<u>27,039</u>	<u>9,399,366</u>	<u>62,048,037</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 45,458,498</u>	<u>\$ 13,649,510</u>	<u>\$ 27,039</u>	<u>\$ 33,374,878</u>	<u>\$ 92,509,925</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended June 30, 2020**

	Capital Projects (Combined)	Debt Service (Combined)	Permanent Funds (Combined)	Special Revenue (Combined)	Total Nonmajor Governmental Funds
<b>REVENUES:</b>					
General property taxes and tax items	\$ -	\$ -	\$ -	\$ 3,332,757	\$ 3,332,757
Other local taxes	-	852,045	-	-	852,045
Use of money and property	45,315	29,962	13	3,268	78,558
Sale of property and compensation for loss	-	-	-	1,842	1,842
Federal and state aid and other grants	7,651,538	-	-	25,168,883	32,820,421
Surplus food	-	-	-	862,318	862,318
Sales-School Food Service Program	-	-	-	151,076	151,076
Other revenues	<u>832,038</u>	<u>-</u>	<u>-</u>	<u>563,068</u>	<u>1,395,106</u>
Total revenues	<u>8,528,891</u>	<u>882,007</u>	<u>13</u>	<u>30,083,212</u>	<u>39,494,123</u>
<b>EXPENDITURES:</b>					
General government support	-	-	-	2,997,844	2,997,844
Public safety	-	-	-	1,915,564	1,915,564
Transportation	-	-	-	2,151,899	2,151,899
Economic opportunity and development	-	-	-	493,766	493,766
Home and community services	-	-	-	9,038,709	9,038,709
Culture and recreation	-	-	-	45,837	45,837
Principal debt payments	-	18,773,385	-	-	18,773,385
Interest on debt	-	5,154,271	-	-	5,154,271
Capital outlays	24,864,290	-	-	-	24,864,290
Food Service Program	-	-	-	<u>13,086,405</u>	<u>13,086,405</u>
Total expenditures	<u>24,864,290</u>	<u>23,927,656</u>	<u>-</u>	<u>29,730,024</u>	<u>78,521,970</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(16,335,399)</u>	<u>(23,045,649)</u>	<u>13</u>	<u>353,188</u>	<u>(39,027,847)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond proceeds	13,595,000	-	-	-	13,595,000
Bond proceeds from refunding bonds	-	10,250,000	-	-	10,250,000
Premium on bonds	1,920,330	100,111	-	-	2,020,441
Premium on refunding bonds	-	1,542,446	-	-	1,542,446
Payments to escrow agent	-	(11,792,446)	-	-	(11,792,446)
Operating transfers in	7,681,000	22,615,109	-	-	30,296,109
Operating transfers out	<u>(270,913)</u>	<u>-</u>	<u>-</u>	<u>(2,084,695)</u>	<u>(2,355,608)</u>
Total other financing sources (uses)	<u>22,925,417</u>	<u>22,715,220</u>	<u>-</u>	<u>(2,084,695)</u>	<u>43,555,942</u>
CHANGE IN FUND BALANCES	6,590,018	(330,429)	13	(1,731,507)	4,528,095
FUND BALANCE - beginning of year	<u>37,443,590</u>	<u>8,918,453</u>	<u>27,026</u>	<u>11,130,873</u>	<u>57,519,942</u>
FUND BALANCE - end of year	<u>\$ 44,033,608</u>	<u>\$ 8,588,024</u>	<u>\$ 27,039</u>	<u>\$ 9,399,366</u>	<u>\$ 62,048,037</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Capital Projects Funds  
June 30, 2020**

	City School District	City	Total Capital Projects Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 9,456,571	\$ 9,456,571
Restricted cash and cash equivalents	22,320	22,303,717	22,326,037
Due from other funds	9,898,795	-	9,898,795
Due from other governments	<u>17,960</u>	<u>3,759,135</u>	<u>3,777,095</u>
 Total assets	 <u>\$ 9,939,075</u>	 <u>\$ 35,519,423</u>	 <u>\$ 45,458,498</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable and accrued expenses	<u>\$ 98,612</u>	<u>\$ 1,326,278</u>	<u>\$ 1,424,890</u>
 Total liabilities	 <u>98,612</u>	 <u>1,326,278</u>	 <u>1,424,890</u>
Fund Balance:			
Restricted	9,840,463	22,303,717	32,144,180
Committed	<u>-</u>	<u>11,889,428</u>	<u>11,889,428</u>
 Total fund balance	 <u>9,840,463</u>	 <u>34,193,145</u>	 <u>44,033,608</u>
 Total liabilities and fund balance	 <u>\$ 9,939,075</u>	 <u>\$ 35,519,423</u>	 <u>\$ 45,458,498</u>

CITY OF SYRACUSE, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Capital Projects Funds  
For the Year Ended June 30, 2020

	City School District	City	Total Capital Projects Funds
REVENUES:			
Use of money and property	\$ -	\$ 45,315	\$ 45,315
Federal and state aid and other grants	120,615	7,530,923	7,651,538
Other revenues	<u>-</u>	<u>832,038</u>	<u>832,038</u>
Total revenues	<u>120,615</u>	<u>8,408,276</u>	<u>8,528,891</u>
EXPENDITURES:			
Capital outlays	<u>569,561</u>	<u>24,294,729</u>	<u>24,864,290</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(448,946)</u>	<u>(15,886,453)</u>	<u>(16,335,399)</u>
OTHER FINANCING SOURCES (USES):			
Bond proceeds	-	13,595,000	13,595,000
Premium on bonds	-	1,920,330	1,920,330
Operating transfers in	4,100,000	3,581,000	7,681,000
Operating transfers out	<u>(270,913)</u>	<u>-</u>	<u>(270,913)</u>
Total other financing sources - net	<u>3,829,087</u>	<u>19,096,330</u>	<u>22,925,417</u>
CHANGE IN FUND BALANCE	3,380,141	3,209,877	6,590,018
FUND BALANCE - beginning of year	<u>6,460,322</u>	<u>30,983,268</u>	<u>37,443,590</u>
FUND BALANCE - end of year	<u>\$ 9,840,463</u>	<u>\$ 34,193,145</u>	<u>\$ 44,033,608</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Debt Service Funds  
June 30, 2020**

	City School District	City	Total Debt Service Funds
<b>ASSETS</b>			
Restricted cash and cash equivalents	\$ -	\$ 7,622,862	\$ 7,622,862
Due from other funds	965,162	-	965,162
Accounts receivable	<u>-</u>	<u>5,061,486</u>	<u>5,061,486</u>
 Total assets	 <u>\$ 965,162</u>	 <u>\$ 12,684,348</u>	 <u>\$ 13,649,510</u>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Deferred inflows of resources:			
Unavailable revenue	\$ <u>-</u>	\$ <u>5,061,486</u>	\$ <u>5,061,486</u>
Fund Balance:			
Restricted	<u>965,162</u>	<u>7,622,862</u>	<u>8,588,024</u>
 Total deferred inflows of resources and fund balance	 <u>\$ 965,162</u>	 <u>\$ 12,684,348</u>	 <u>\$ 13,649,510</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in  
Fund Balances - Debt Service Funds  
For the Year Ended June 30, 2020**

	City School District	City	Total Debt Service Funds
<b>REVENUES:</b>			
Other local taxes	\$ -	\$ 852,045	\$ 852,045
Use of money and property	<u>740</u>	<u>29,222</u>	<u>29,962</u>
Total revenues	<u>740</u>	<u>881,267</u>	<u>882,007</u>
<b>EXPENDITURES:</b>			
Principal debt payments	4,735,714	14,037,671	18,773,385
Interest on debt	<u>1,204,608</u>	<u>3,949,663</u>	<u>5,154,271</u>
Total expenditures	<u>5,940,322</u>	<u>17,987,334</u>	<u>23,927,656</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(5,939,582)</u>	<u>(17,106,067)</u>	<u>(23,045,649)</u>
<b>OTHER FINANCING SOURCES:</b>			
Bond proceeds from refunding bonds	235,000	10,015,000	10,250,000
Premium on bonds	-	100,111	100,111
Premium on refunding bonds	17,798	1,524,648	1,542,446
Payments to escrow agent	(252,798)	(11,539,648)	(11,792,446)
Operating transfers in	<u>5,961,235</u>	<u>16,653,874</u>	<u>22,615,109</u>
Total other financing sources	<u>5,961,235</u>	<u>16,753,985</u>	<u>22,715,220</u>
CHANGE IN FUND BALANCE	21,653	(352,082)	(330,429)
FUND BALANCE - beginning of year	<u>943,509</u>	<u>7,974,944</u>	<u>8,918,453</u>
FUND BALANCE - end of year	<u>\$ 965,162</u>	<u>\$ 7,622,862</u>	<u>\$ 8,588,024</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Permanent Funds  
June 30, 2020**

	City School District	City	Total Permanent Funds
<b>ASSETS</b>			
Restricted cash and cash equivalents	\$ 17,039	\$ 10,000	\$ 27,039
Total assets	<u>\$ 17,039</u>	<u>\$ 10,000</u>	<u>\$ 27,039</u>
<b>FUND BALANCE</b>			
Nonspendable	\$ -	\$ 10,000	\$ 10,000
Restricted	<u>17,039</u>	<u>-</u>	<u>17,039</u>
Total fund balances	<u>\$ 17,039</u>	<u>\$ 10,000</u>	<u>\$ 27,039</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Permanent Funds  
For the Year Ended June 30, 2020**

	City School District	City	Total Permanent Funds
REVENUES:			
Use of money and property	\$ 13	\$ -	\$ 13
Total revenues	<u>13</u>	<u>-</u>	<u>13</u>
EXPENDITURES:			
General government support	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	13	-	13
FUND BALANCE - beginning of year	<u>17,026</u>	<u>10,000</u>	<u>27,026</u>
FUND BALANCE - end of year	<u>\$ 17,039</u>	<u>\$ 10,000</u>	<u>\$ 27,039</u>

CITY OF SYRACUSE, NEW YORK

Combining Balance Sheet - Special Revenue Funds

June 30, 2020

	Neighborhood & Business Development	Special Grants	Special Assessment Districts	Oil & Flushing	Syracuse Urban Renewal	School Food Service	Miscellaneous Trusts (Combined)	Total Special Revenue Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 431,622	\$ -	\$ 2,625,294	\$ -	\$ -	\$ 3,056,916
Restricted cash and cash equivalents	1,951,606	725,794	-	446,434	19,104	-	1,168,399	4,311,337
Loans receivable	14,284,346	-	-	-	150,000	-	-	14,434,346
Accounts receivable	1,281	85,000	740	-	-	-	-	87,021
Taxes receivable, net	-	-	15,748	-	-	-	-	15,748
Due from other funds	-	-	-	-	97,278	5,758,825	-	5,856,103
Due from other governments	899,819	2,766,126	-	-	21,044	1,338,375	-	5,025,364
Inventory	-	-	-	-	-	573,246	-	573,246
Prepays and other assets	-	-	-	-	14,797	-	-	14,797
<b>Total assets</b>	<b>\$ 17,137,052</b>	<b>\$ 3,576,920</b>	<b>\$ 448,110</b>	<b>\$ 446,434</b>	<b>\$ 2,927,517</b>	<b>\$ 7,670,446</b>	<b>\$ 1,168,399</b>	<b>\$ 33,374,878</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable and accrued expenses	\$ 1,426,949	\$ 299,193	\$ -	\$ 135,316	\$ 28,524	\$ 479,893	\$ 3,729	\$ 2,373,604
Due to other funds	161,314	2,551,936	-	-	2,431,407	-	-	5,144,657
Due to other governments	54,074	-	-	-	-	961	-	55,035
Unearned revenue	827,023	725,791	-	-	169,104	-	-	1,721,918
Loans payable	14,575,713	-	-	-	-	-	-	14,575,713
Other liabilities	91,979	-	-	-	-	-	-	91,979
<b>Total liabilities</b>	<b>17,137,052</b>	<b>3,576,920</b>	<b>-</b>	<b>135,316</b>	<b>2,629,035</b>	<b>480,854</b>	<b>3,729</b>	<b>23,962,906</b>
Deferred inflows of resources:								
Unavailable revenue	-	-	12,606	-	-	-	-	12,606
Fund Balance:								
Nonspendable	-	-	-	-	-	573,246	-	573,246
Restricted	-	-	-	311,118	298,482	6,616,346	1,164,670	8,390,616
Committed	-	-	435,504	-	-	-	-	435,504
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>435,504</b>	<b>311,118</b>	<b>298,482</b>	<b>7,189,592</b>	<b>1,164,670</b>	<b>9,399,366</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 17,137,052</b>	<b>\$ 3,576,920</b>	<b>\$ 448,110</b>	<b>\$ 446,434</b>	<b>\$ 2,927,517</b>	<b>\$ 7,670,446</b>	<b>\$ 1,168,399</b>	<b>\$ 33,374,878</b>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Special Revenue Funds  
For the Year Ended June 30, 2020**

	Neighborhood & Business Development	Special Grants	Special Assessment Districts	Oil & Flushing	Syracuse Urban Renewal	School Food Service	Miscellaneous Trusts (Combined)	Total Special Revenue Funds
<b>REVENUES:</b>								
General property taxes and tax items	\$ -	\$ -	\$ 1,061,921	\$ 2,270,836	\$ -	\$ -	\$ -	\$ 3,332,757
Use of money and property	-	-	-	-	-	59	3,209	3,268
Sale of property and compensation for loss	-	-	-	-	-	1,842	-	1,842
Federal and state aid and other grants	8,608,852	4,099,173	-	-	-	12,460,858	-	25,168,883
Surplus food	-	-	-	-	-	862,318	-	862,318
Sales-School Food Service Program	-	-	-	-	-	151,076	-	151,076
Other revenues	<u>145,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,501</u>	<u>-</u>	<u>208,536</u>	<u>563,068</u>
Total revenues	<u>8,753,883</u>	<u>4,099,173</u>	<u>1,061,921</u>	<u>2,270,836</u>	<u>209,501</u>	<u>13,476,153</u>	<u>211,745</u>	<u>30,083,212</u>
<b>EXPENDITURES:</b>								
General government support	1,350,423	539,461	1,107,960	-	-	-	-	2,997,844
Public safety	-	1,783,124	-	-	-	-	132,440	1,915,564
Transportation	-	103,402	-	2,048,497	-	-	-	2,151,899
Economic opportunity and development	-	-	-	-	493,766	-	-	493,766
Home and community services	7,403,460	1,635,249	-	-	-	-	-	9,038,709
Culture and recreation	-	37,937	-	-	-	-	7,900	45,837
Food Service Program	-	-	-	-	-	13,086,405	-	13,086,405
Total expenditures	<u>8,753,883</u>	<u>4,099,173</u>	<u>1,107,960</u>	<u>2,048,497</u>	<u>493,766</u>	<u>13,086,405</u>	<u>140,340</u>	<u>29,730,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(46,039)</u>	<u>222,339</u>	<u>(284,265)</u>	<u>389,748</u>	<u>71,405</u>	<u>353,188</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating transfers out	-	-	-	(399,393)	-	(1,685,302)	-	(2,084,695)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(399,393)</u>	<u>-</u>	<u>(1,685,302)</u>	<u>-</u>	<u>(2,084,695)</u>
CHANGE IN FUND BALANCE	-	-	(46,039)	(177,054)	(284,265)	(1,295,554)	71,405	(1,731,507)
FUND BALANCE - beginning of year	-	-	481,543	488,172	582,747	8,485,146	1,093,265	11,130,873
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435,504</u>	<u>\$ 311,118</u>	<u>\$ 298,482</u>	<u>\$ 7,189,592</u>	<u>\$ 1,164,670</u>	<u>\$ 9,399,366</u>

CITY OF SYRACUSE, NEW YORK

Combining Balance Sheet - Miscellaneous Trust Funds  
 June 30, 2020

	Police Trust	Parks Trusts	Fire Trust	General Government Trusts	Francis Hendricks	Police State Seizures	Police Federal Seizures	Total Miscellaneous Trust Funds
<b>ASSETS</b>								
Restricted cash and cash equivalents	\$ 231,890	\$ 86,045	\$ 136,718	\$ 70,316	\$ 575	\$ 188,455	\$ 454,400	\$ 1,168,399
Total assets	<u>\$ 231,890</u>	<u>\$ 86,045</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 575</u>	<u>\$ 188,455</u>	<u>\$ 454,400</u>	<u>\$ 1,168,399</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,729	\$ 3,729
Total Liabilities	-	-	-	-	-	-	3,729	3,729
Fund Balance:								
Restricted	<u>231,890</u>	<u>86,045</u>	<u>136,718</u>	<u>70,316</u>	<u>575</u>	<u>188,455</u>	<u>450,671</u>	<u>1,164,670</u>
Total liabilities and fund balance	<u>\$ 231,890</u>	<u>\$ 86,045</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 575</u>	<u>\$ 188,455</u>	<u>\$ 454,400</u>	<u>\$ 1,168,399</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Miscellaneous Trust Funds  
For the Year Ended June 30, 2020**

	Police Trust	Parks Trusts	Fire Trust	General Government Trusts	Francis Hendricks	Police State Seizures	Police Federal Seizures	Total Miscellaneous Trust Funds
<b>REVENUES:</b>								
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ 1,053	\$ 2,104	\$ 3,209
Other revenues	<u>152,000</u>	<u>6,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,031</u>	<u>208,536</u>
Total revenues	<u>152,000</u>	<u>6,505</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>1,053</u>	<u>52,135</u>	<u>211,745</u>
<b>EXPENDITURES:</b>								
Public safety	101,719	-	-	-	-	30,721	-	132,440
Culture and recreation	<u>-</u>	<u>7,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,900</u>
Total expenditures	<u>101,719</u>	<u>7,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,721</u>	<u>-</u>	<u>140,340</u>
CHANGE IN FUND BALANCE	50,281	(1,395)	-	-	52	(29,668)	52,135	71,405
FUND BALANCE - beginning of year	<u>181,609</u>	<u>87,440</u>	<u>136,718</u>	<u>70,316</u>	<u>523</u>	<u>218,123</u>	<u>398,536</u>	<u>1,093,265</u>
FUND BALANCE - end of year	<u>\$ 231,890</u>	<u>\$ 86,045</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 575</u>	<u>\$ 188,455</u>	<u>\$ 450,671</u>	<u>\$ 1,164,670</u>

**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***

February 10, 2021

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Syracuse, New York as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Syracuse, New York's basic financial statements and have issued our report thereon dated February 10, 2021. Our report includes a reference to other auditors who audited the financial statements of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation and Syracuse Regional Airport Authority, which are discretely presented component units. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. This report also does not include the results of City School District of Syracuse, New York's, Greater Syracuse Property Development Corporation's, or Syracuse Urban Renewal Agency's testing of internal control over financial reporting or compliance and other matters that are reported on in separate reports.

**Internal Control Over Financial Reporting**

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

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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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Syracuse, 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 Syracuse, New York's Response to Finding**

The City of Syracuse, New York's response to the finding identified in our audit is described in the schedule of findings and questioned costs. The City of Syracuse, New York's response was not subjected to the 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

February 10, 2021

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council:

**Report on Compliance for Each Major Federal Program**

We have audited the City of Syracuse, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Syracuse, New York's major federal programs for the year ended June 30, 2020. The City of Syracuse, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City of Syracuse, New York's financial statements include the operations of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation, Syracuse Urban Renewal Agency, Greater Syracuse Property Development Corporation, City School District of Syracuse, New York, and Syracuse Regional Airport Authority whose federal awards are not included in the schedule of expenditures of federal awards for the year ended June 30, 2020. Our audit, described below, did not include the federal awards of the above entities as these entities conducted separate audits in accordance with the Uniform Guidance, if applicable.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of City of Syracuse, New York's compliance.

**Basis for Qualified Opinion on Lead Hazard Reduction Demonstration Grant Program**

As described in the accompanying schedule of findings and questioned costs, the City of Syracuse, New York did not comply with requirements regarding CFDA 14.905 Lead Hazard Reduction Demonstration Grant Program as described in finding number 2020-002 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City of Syracuse, New York to comply with the requirements applicable to that program.

**Qualified Opinion on Lead Hazard Reduction Demonstration Grant Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Syracuse, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 14.905 Lead Hazard Reduction Demonstration Grant Program for the year ended June 30, 2020.

**Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, the City of Syracuse, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

**Report on Internal Control over Compliance**

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

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

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

The City of Syracuse, New York's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Syracuse, New York's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CITY OF SYRACUSE, NEW YORK

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grant Identifying Number</u>	<u>Agency or Pass- Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Housing and Urban Development</b>					
Direct:					
Community Development Block Grants/Entitlement Grants:					
	14.218	B-15-MC-36-0108	N/A	155,966	
	14.218	B-16-MC-36-0108	N/A	36,148	
	14.218	B-17-MC-36-0108	N/A	184,544	
	14.218	B-18-MC-36-0108	N/A	1,033,032	
	14.218	B-19-MC-36-0108	N/A	4,352,432	
	14.218	B-20-MC-36-0108	N/A	<u>118,086</u>	
Total Community Development Block Grants/Entitlement Grants				<u>5,880,208</u>	<u>4,655,388</u>
Emergency Shelter Grants Program:					
	14.231	E-17-MC-36-0108	N/A	4,417	
	14.231	E-19-MC-36-0108	N/A	365,229	
	14.231	E-20-MC-36-0108	N/A	<u>33,298</u>	
Total Emergency Shelter Grants Program				<u>402,944</u>	<u>368,466</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing:					
	14.900	NYLHB0695-18	N/A	45,980	
	14.905	NYLHB0695-18	N/A	<u>337,353</u>	
Total Lead- Based Paint Hazard Control in Privately-Owned Housing				<u>383,333</u>	<u>-</u>
HOME Investment Partnerships Program:					
	14.239	M-15-MC-360505	N/A	121,505	
	14.239	M-16-MC-360505	N/A	79,251	
	14.239	M-17-MC-360505	N/A	826,483	
	14.239	M-18-MC-360505	N/A	566,000	
	14.239	M-19-MC-360505	N/A	<u>349,086</u>	
Total HOME Investment Partnerships Program				<u>1,942,325</u>	<u>1,806,266</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>8,608,810</u>	
<b>U.S. Department of Justice</b>					
Direct:					
Edward Byrne Memorial Justice Assistance Grant Program:					
13/16 Byrne JAG Grant	16.738	2013-DJ-BX-0375	N/A	11	
15/19 Byrne JAG Grant	16.738	2015-DJ-BX-0411	N/A	58,944	
17/20 Strategies for Policing	16.738	2016-DJ-BX-0274	N/A	<u>62,360</u>	
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>121,315</u>	
2017 Project Safe Neighborhood	16.609	2017-GP-BX-0005	N/A	<u>118,786</u>	
Total Direct Programs U.S. Department of Justice				<u>240,101</u>	
<b>Total U.S. Department of Justice</b>				<u>240,101</u>	

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA #</u>	<u>Grant Identifying Number</u>	<u>Agency or Pass- Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Transportation</b>					
Passed-through:					
Highway Planning and Construction Cluster:					
08/09 Traffic Signal Improvements	20.205	375442	1000002582	317,273	
N, S, E, W Interconnect	20.205	375479	1000002582	344,541	
University Hill Bike Plan	20.205	375526	1000002582	587,892	
Downtown Mill & Pave (South Salina St.)	20.205	375606	1000002582	157,249	
Downtown Mill & Pave	20.205	375625	1000002582	64,814	
Creekwalk Phase II	20.205	375514	1000002582	3,665,653	
Teall Ave. Resurfacing	20.205	375586	1000002582	178,982	
City Element Spec Bridge Repairs	20.205	375519	1000002582	105,765	
Evans St. Bridge over Onondaga Creek	20.205	375518	1000002582	4,551	
Hiawatha Blvd Bridge Sidewalk	20.205	375584	1000002582	79,982	
Onondaga St. over Onondaga Creek	20.205	375639	1000002582	1,313,999	
Tallman St. over Onondaga Creek	20.205	375638	1000002582	409,279	
Connective Corridor - University Ave. Recon	20.205	375634	1000002582	68,606	
Total Highway Planning and Construction Cluster				<u>7,298,586</u>	
<b>Total U.S. Department of Transportation</b>				<u>7,298,586</u>	

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Grant Identifying Number	Agency or Pass-Through Number	Federal Expenditures	Provided to Subrecipients
<b>U.S. Department of the Interior</b>					
Passed-through NYS Office of Parks, Recreation and Historic Preservation:					
Comp Reconnaissance Svy Phas 1	15.904	PRK01-T61807GG-1290000	N/A	14,010	
Comp Reconnaissance Svy Phas 2	15.904	PRK01-T61907G	N/A	<u>12,394</u>	
Total Historic Preservation Fund Grants				26,404	
Creekwalk Riparian	15.658	F20AC00292	N/A	<u>32,834</u>	
<b>Total US Department of the Interior</b>				<u>59,238</u>	
<b>U.S. Department of Homeland Security</b>					
Direct:					
Passed-through NYS Office of Homeland Security and Emergency Services:					
Homeland Security Grant Program:					
2019 SHSP/SLEPP (Police & Fire split)	97.067	SH19-1055-D00	N/A	139,175	
16/19 State Law Enf Terrorism	97.067	LE16-1035-DOO	N/A	58,071	
SHSP 2017-Police (Police & Fire split)	97.067	WM17176507	N/A	69,714	
SHSP 2016-Police	97.067	WM16176560	N/A	86,952	
SHSP 2018	97.067	WM2018 SHSP	N/A	11,043	
2018/21Bomb Squad Grant	97.067	BS18-1011-D00	N/A	5,881	
16/19 Explosive Detect Canine	97.067	WM16176569	N/A	11,806	
2017 Tactical Team Grant	97.067		N/A	77,901	
2017-20 Bomb Squad Grant	97.067		N/A	<u>6,675</u>	
Total Homeland Security Grant Program				<u>467,218</u>	
Direct:					
17 Assistance to Firefighters	97.044	EMW-207-FO-05654	N/A	114,878	
<b>Total U.S. Department of Homeland Security</b>				<u>582,096</u>	
<b>Total Expenditures of Federal Awards</b>				<u>\$ 16,788,831</u>	

The accompanying notes are an integral part of these statements.

## **CITY OF SYRACUSE, NEW YORK**

### **Notes to the Schedule of Expenditures of Federal Awards For the year ended June 30, 2020**

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#### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs administered by the City of Syracuse, New York, an entity as defined in the basic financial statements. Federal awards that are included in this schedule may be received from federal agencies, as well as federal awards that are passed through from other governmental agencies. Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

#### **2. MATCHING COSTS**

Matching costs (the City's or New York State's share of certain program costs) are not included in the reported expenditures.

#### **3. INDIRECT COSTS**

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. The City did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

#### **4. CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**

The City School District of Syracuse, New York is a component unit of the City of Syracuse, New York. Financial assistance relating to the District is not included in the schedule of expenditures of federal awards; however, a separate single audit report contains the required reports and schedules.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020**

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**Part I Summary of Auditor's Results**

**Financial Statements**

Type of independent auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	_X_ No
Significant deficiencies identified?	_X_ Yes	___ No
Noncompliance material to financial statements noted?	___ Yes	_X_ No

**Federal Awards**

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	_X_ No
Significant deficiencies identified?	___ Yes	_X_ No

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_X\_ Yes      \_\_\_ No

Identification of major programs:

<b>CFDA Number</b>	<b>Program Title</b>
U.S. Department of Housing and Urban Development	
14.218	Community Development Block Grants/Entitlement Grants
14.239	Home Investment Partnerships Program
14.905	Lead Hazard Reduction Demonstration Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee \_\_\_ Yes      \_X\_ No

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020**

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**Part II Financial Statement Findings**

**Reference Number: 2020-001**

**Grants Management**

**Criteria:**

Internal controls over financial reporting related to grants should be properly designed, implemented and monitored to ensure all material transactions are recorded properly.

**Cause/Condition:**

There is not centralized oversight and review over grants management. For example, the Department of Public Works, Department of Water, Department of Sewer, Police Department, Department of Neighborhood and Business Development, as well as other departments, have the authority to apply for, administer, and report to grantors. This has an impact on several funds such as special grants fund, water fund, capital projects fund and the general fund that account for the grant activity. It does not appear that the City has sufficient staffing to perform this function.

**Effect:**

An understatement of due from other governments and revenues in the water fund in the amount of \$488,746 was identified as a result of the audit. The lack of centralized oversight also increases risk of noncompliance and delays in financial reporting information, including the preparation of the schedule of expenditures of federal awards.

**Recommendation:**

The City should consider hiring or designating certain individuals who possess the appropriate knowledge, skills and authority to oversee grants in all of the funds and departments of the City. This should include maintaining a detailed schedule of all grants approved with appropriate detail to ensure accurate and timely expenditure and reimbursement, compliance and reporting requirements related to grants. At fiscal year end, each grant should be evaluated for proper cutoff and matching of expenditures and revenues.

**Response:**

The City is in the process of centralizing grants management to improve accuracy, effectiveness, and efficiency in the areas of grant applications, management, reporting and compliance. As part of this plan, we will be hiring an individual to oversee all financial aspects of our grants. In addition, we are working on strengthening our internal controls over proper cutoff of revenues and expenditures at year-end.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020**

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**Part III Federal Award Findings and Questioned Costs**

**Reference Number: 2020-002**

**U.S. Department of Housing and Urban Development:  
Lead Hazard Reduction Demonstration Grant Program 14.905**

**Criteria:**

The grantee is required to comply with reporting requirements of subpart E (section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C SS. 1701u (Economic Opportunities for Low-and Very Low-Income Persons in Connection with Assisted Project)) and the HUD regulations at 24 CFR 135, which requires the grantee to submit form HUD 60002 (Section 3 Summary Report - Economic Opportunities for Low-and Very Low-Income Persons) annually.

**Cause/Condition:**

During our testing of compliance over reporting we found that the City did not submit the Section 3 Summary Report - Economic Opportunities for Low - and Very Low - Income Persons to HUD, before the HUD due date of July 30, 2020. The report was submitted on December 15, 2020.

**Effect:**

The City was not in compliance with this reporting requirement as the report was submitted after the due date.

**Recommendation:**

Policies and procedures should be developed, monitored, and documented by appropriate personnel to ensure compliance. These policies and procedures should include review and monitoring of the submission of the Section 3 Summary Report - Economic Opportunities for Low - and Very Low - Income Persons to ensure timely submission.

**Response:**

There were some delays getting the required data to the office that handles submission of the HUD 60002 report, mainly due to COVID-19 restrictions that interrupted normal collaboration and communication with the LEAD program manager. There were no alerts from HUD indicating the report was late and the staff relied on past experience prioritizing accuracy and completeness. Following this initial cycle, the staff will maintain a schedule to ensure the data is assembled and shared more timely and meet the deadline for the report going forward.

**Questioned Costs:**

None