

**SYRACUSE URBAN RENEWAL AGENCY
(A Blended Component Unit of the City
of Syracuse, New York)**

**Basic Financial Statements As of
June 30, 2023
Together With Independent
Auditor's Report and
Government Auditing Standards
Report**

Bonadio & Co., LLP
Certified Public Accountants

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

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June 30, 2023**

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INDEPENDENT AUDITOR’S REPORT

March 21, 2024

To the Board of Directors of the
Syracuse Urban Renewal Agency

Opinions

We have audited the accompanying financial statements of the governmental activities and the governmental fund of Syracuse Urban Renewal Agency (SURA), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2023 and the related notes to the financial statements which collectively comprise SURA’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental fund of SURA as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2024 on our consideration of SURA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SURA'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 SURA's internal control over financial reporting and compliance.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Management's Discussion and Analysis (Unaudited)
Required Supplementary Information
For the Year Ended June 30, 2023**

Our discussion and analysis of Syracuse Urban Renewal Agency's (SURA's) financial performance provides an overview of SURA's financial activities for the fiscal year ended June 30, 2023.

Please read it in conjunction with SURA's financial statements, including the notes to the financial statements. In this discussion and analysis, all amounts are expressed in thousands of dollars, unless otherwise indicated.

FINANCIAL HIGHLIGHTS

SURA's total net position increased by approximately \$2,066 because of this year's operations. The fund balance of the governmental fund activities decreased by approximately \$237.

During the year, SURA had program revenues that were approximately \$2,066 greater than total program expenses. Program revenues were approximately \$5,172 and \$4,079 for the years ended June 30, 2023 and 2022, respectively. Program expenses were approximately \$3,107 and \$1,093 for the years ended June 30, 2023 and 2022, respectively.

In SURA's governmental fund, revenues were \$5,172 for the year ended June 30, 2023 and \$4,079 for the year ended June 30, 2022. Expenditures were \$5,410 for the year ended June 30, 2023 and \$4,089 for the year ended June 30, 2022.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities and Changes in Net Position provide information about the activities of SURA as a whole and present a longer-term view of SURA's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Government-Wide Financial Statements

This section attempts to illustrate whether SURA is better off or worse off because of the year's activities. The Statement of Net Position and the Statement of Activities and Changes in Net Position report information about SURA as a whole and about its activities in a way that allow the user to determine if SURA'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.

The Statements of Net Position and Activities report SURA's net position. You can think of SURA's net position, the difference between assets (what the citizens own) and liabilities (what the citizens owe) as one way to measure SURA's financial health, or financial position. Over time, increases or decreases in SURA's net position is one indicator of whether its financial health is improving or deteriorating.

The Statement of Net Position and the Statement of Activities and Changes in Net Position present financial information about SURA's activities, which are governmental. Governmental activities are financed with grant revenue.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Management’s Discussion and Analysis (Unaudited)
Required Supplementary Information
For the Year Ended June 30, 2023**

Governmental Fund Financial Statements

A governmental entity can have various types of funds, such as governmental and proprietary. SURA has one fund, a special revenue fund, which is a governmental fund.

Governmental funds 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 SURA’s general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance SURA’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities and Changes in Net Position) and governmental funds in a reconciliation accompanying the fund financial statements.

THE SYRACUSE URBAN RENEWAL AGENCY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Total net position was a deficit of \$11,753 at June 30, 2023.

NET POSITION	2023	2022
Total assets and deferred outflows of resources	\$ 5,980	\$ 6,095
Long-term liabilities (OPEB and Pension)	7,779	5,530
Other liabilities and deferred inflows of resources	9,954	14,384
Total liabilities and deferred inflows	17,733	19,914
Net position	\$ (11,753)	\$ (13,819)

The primary cause for the deficit in restricted net position is the requirement that municipalities report a liability for the unfunded cost of providing post-employment benefits to employees. For SURA, 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, 2023 was \$6,127.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Management's Discussion and Analysis (Unaudited)
Required Supplementary Information
For the Year Ended June 30, 2023**

SURA'S FUNDS

As noted earlier, SURA uses fund accounting. The focus of SURA's governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing SURA's financing requirements. In particular, unassigned 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.

As of the end of the current fiscal year, SURA's governmental fund reported ending fund balance of \$17 which is a 93% decrease from last year's total of \$254. The entire fund balance is restricted as of June 30, 2023.

BUDGET

SURA's budget for the year ended June 30, 2023 includes estimated revenues of approximately \$6,229 and annual appropriations of approximately \$5,029. The actual performance of the fund resulted in a fund deficit for the current year of \$237, compared to a budgeted surplus of \$1,201. The main reason for this variance is due to the sale of the SURA owned Chase Building parking lot that was budgeted for but not executed.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of the Syracuse Urban Renewal Agency 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 E. Washington Street, Syracuse, New York 13202.

SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

Statement of Net Position
June 30, 2023

ASSETS

Cash	\$ 1,047,106
Restricted cash	19,104
Loan receivable	150,000
Due from other governments	347,481
Due from primary government	2,531,786
Other assets	<u>14,797</u>
Total assets	<u>4,110,274</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - OPEB	882,510
Deferred outflows of resources - ERS Pension	<u>987,357</u>
Total deferred outflows of resources	<u>1,869,867</u>

LIABILITIES

Payables:	
Accounts payable and accrued expenses	204,851
Due to primary government	3,719,644
Unearned revenue	19,104
Long-term liabilities:	
Due and payable in more than one year -	
Net pension liability	1,652,033
Total other postemployment benefits	<u>6,127,438</u>
Total liabilities	<u>11,723,070</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - OPEB	5,698,466
Deferred inflows of resources - ERS Pension	<u>311,525</u>
Total deferred inflows of resources	<u>6,009,991</u>

NET POSITION

Restricted	16,675
Unrestricted	<u>(11,769,595)</u>
Total net position	<u>\$ (11,752,920)</u>

The accompanying notes are an integral part of these statements.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Statement of Activities
For the Year Ended June 30, 2023**

REVENUES:

Reimbursement from primary government for payroll and payroll related expenses	\$ 4,745,595
Reimbursement from other governments for payroll and payroll related expenses	426,085
Other revenues	<u>800</u>
Total revenues	<u>5,172,480</u>

EXPENSES:

Redevelopment expenses	13,064
Payroll and payroll related expenses	3,081,866
Other expenses	<u>11,699</u>
Total expenses	<u>3,106,629</u>

CHANGE IN NET POSITION	2,065,851
NET POSITION - beginning of year	<u>(13,818,771)</u>
NET POSITION - end of year	<u>\$ (11,752,920)</u>

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Balance Sheet - Governmental Fund
June 30, 2023**

ASSETS:	
Cash	1,047,106
Restricted cash	19,104
Loan receivable	150,000
Due from other governments	347,481
Due from primary government	2,531,786
Other assets	<u>14,797</u>
Total assets	<u>\$ 4,110,274</u>
LIABILITIES:	
Accounts payable and accrued expenses	204,851
Due to primary government	3,719,644
Unearned revenue	<u>19,104</u>
Total liabilities	<u>3,943,599</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>150,000</u>
Total deferred inflows of resources	<u>150,000</u>
FUND BALANCE:	
Restricted	<u>16,675</u>
Total fund balance	<u>16,675</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 4,110,274</u>

The accompanying notes are an integral part of these statements.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2023**

Total fund balance for governmental fund	\$	16,675
Amounts reported for governmental activities in the statement of net position are different because:		
Revenue is not available to pay for current year expenditures and is therefore deferred in the fund.		150,000
Deferred outflows/inflows of resources related to pensions and OPEB are applicable to the future and therefore, are not reported in the fund:		
Deferred outflows of resources - ERS Pension		987,357
Deferred outflows of resources - OPEB		882,510
Deferred inflows of resources - ERS Pension		(311,525)
Deferred inflows of resources - OPEB		(5,698,466)
Long-term liabilities that are not due and payable in the current period and therefore, are not reported in the fund:		
Other postemployment benefits		(6,127,438)
Net pension liability		<u>(1,652,033)</u>
Total net position of governmental activities	<u>\$</u>	<u>(11,752,920)</u>

The accompanying notes are an integral part of these statements.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund
For the Year Ended June 30, 2023**

REVENUES:

Reimbursement from primary government for payroll and payroll related expenses	\$ 4,745,595
Reimbursement from other governments for payroll and payroll related expenses	426,085
Other revenues	<u>800</u>
Total revenues	<u>5,172,480</u>

EXPENDITURES:

Redevelopment expenses	13,064
Payroll and payroll related expenses	5,385,169
Other expenses	<u>11,699</u>
Total expenditures	<u>5,409,932</u>

CHANGE IN FUND BALANCE (237,452)

FUND BALANCE - beginning of year 254,127

FUND BALANCE - end of year \$ 16,675

The accompanying notes are an integral part of these statements.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Reconciliation of the Statement of Revenue, Expenditures and Change in Fund Balance of the
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2023**

Change in fund balance - governmental fund	\$ (237,452)
The change in net position reported for governmental activities in the Statement of Activities and Change in Net Position is different because:	
Net change in ERS liabilities that are long-term in nature and therefore not reported in the funds.	(1,652,033)
Net change in ERS assets that are long-term in nature and therefore not reported in the funds.	(683,434)
Change in deferred outflow of resources related to ERS Pension net liability (asset) obligations not reported in the funds.	(204,975)
Change in deferred inflow of resources related to ERS Pension net liability (asset) obligations not reported in the funds.	2,347,087
Change in deferred outflow of resources related to OPEB net liability obligations not reported in the funds.	121,714
Change in deferred inflow of resources related to OPEB net liability obligations not reported in the funds.	2,972,608
Net change in OPEB obligations reported in the Statement of Activities (other postemployment benefits) does not require the use of current financial resources and, therefore, is not reported in the governmental fund.	<u>(597,664)</u>
Change in net position of governmental activities	<u>\$ 2,065,851</u>

The accompanying notes are an integral part of these statements.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

1. THE ORGANIZATION

Syracuse Urban Renewal Agency (SURA) was incorporated in 1962 and operates under a three-member board (SURA Board) consisting of the elected Mayor of the City of Syracuse, the President of the Common Council and the Commissioner of Finance of the City of Syracuse. SURA is a public benefit corporation that receives local capital grant funds for the redevelopment of land in the City of Syracuse, New York. SURA is a blended component unit of the City of Syracuse, New York (the City) and is accounted for as a special revenue governmental fund. Under a cooperation agreement between SURA and the City, the City provides SURA assistance in the form of administrative, personnel, legal and fiscal services in order to carry out urban renewal projects.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The financial statements presented here are blended in the basic financial statements of the City due to the fact that the City can impose its will and SURA provides services entirely for the benefit of the City.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities present financial information about SURA's governmental activities. Governmental activities generally are financed through grant revenue received and reimbursements from the primary governments for payroll and payroll related expenses.

Fund Financial Statements

The fund financial statements provide information about SURA's governmental fund. The emphasis of fund financial statements is on major governmental funds. SURA has only one fund.

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.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of the change in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

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

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. All transactions and events that affect 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 fund financial statements are presented on the 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. Revenues are generally considered available if collected within sixty days of year-end. SURA reports deferred inflows when the potential revenue does not meet the availability criteria for recognition in the current period.

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

Budgets and Budgetary Accounting

The budget for SURA is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) and is formally approved by the SURA Board. Budget amendments occurring subsequent to the adoption of the budget are drafted and approved by the SURA Board. Formal budgetary integration is employed as a management control device during the year. SURA appropriates a total expenditure budget based on projected revenues and surplus from the preceding year. The budget, along with any amendments made by the SURA Board, are included in the Statement of Revenues and Expenditures - Budget and Actual.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities financial statements.

In the fund financial statements, the governmental fund does not report long-term obligations as a liability.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Equity Classifications

Government-Wide Financial Statements

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

- Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - net position with constraints placed on the use either by (1) grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - all other 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 SURA.

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 SURA is bound to honor constraints on the specific purposes of which resources in a fund can be spent.

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

- Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Restricted fund balance is restricted to fund grant related programs.
- Committed - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of SURA's highest level of decision-making authority, i.e., the SURA Board.
- Assigned - includes amounts that are intended to be used for a specific purpose established by SURA's highest level of decision making authority, i.e., the SURA Board, but do not meet the criteria to be classified as restricted or committed.
- Unassigned - includes all other balances that do not meet the definition of the above four classifications and are deemed to be available for general use by SURA. In addition, unassigned fund balance includes any remaining negative fund balance.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Order of Use of Fund Balance

SURA'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. Nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts are classified as restricted or assigned fund balance. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Retirement and Other Postemployment Benefits

SURA 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). ERS provides various plans and options, some of which require employee contributions. ERS computes the cost of retirement benefits based upon its fiscal year, April 1 to March 31. See Note 6 for further information.

In addition to providing pension benefits, SURA 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 of SURA's employees may become eligible for these benefits if they reach normal retirement age while working for SURA. 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 SURA and the retired employee. See note 7 for further information.

Intergovernmental Revenues - Grants

For both the government-wide and fund financial statements, SURA follows the policy that an expenditure/expense 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/expense of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

Other Revenues

SURA records developer fees and miscellaneous revenues on the cash basis because they are generally not measurable until actually received.

Expenditures/Expenses

In the government-wide financial statements, expenses are recognized when they are incurred.

In the fund financial statements, the governmental fund reports expenditures of financial resources. Most expenditures are measurable and are recorded when the related fund liability is incurred.

Payments Between SURA and the City

Resources that flow between SURA and the City are classified as due to/due from the primary government and reimbursements from the primary government in the financial statements.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Restricted and Unrestricted Resources

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

Economic Dependency

SURA receives significant funding from both the City and Onondaga County, New York. Curtailment of such revenue would have a significant impact on SURA's programs.

Restricted Cash

Restricted cash include amounts restricted to fund grant related programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Estimates and assumptions include the computation of net pension liability and other postemployment benefits.

Unearned Revenue

Unearned revenue include amounts received for grant and other project expenses not yet incurred.

Deferred Outflows and Inflows of Resources

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. SURA has deferred outflows of resources, which are comprised of New York State Retirement Systems pension amounts as described in Note 6 and other postemployment benefits as described in Note 7.

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. SURA has deferred inflows of resources resulting from New York State Retirement Systems pension amounts as described in Note 6 and other postemployment benefits as described in Note 7.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

3. CASH

Cash balances consist of deposits held in checking accounts.

New York State governs SURA's investment policies. SURA is permitted to invest in special time deposits and certificate of deposits. In addition, SURA 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 SURA include obligations of the State and repurchase agreements, subject to various conditions.

Deposits

Deposits include demand 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 year-end, the carrying amount of SURA's deposits was \$1,066,210 and the bank balance was \$1,216,983. As of June 30, 2023, \$402,261 were covered by FDIC insurance, and \$814,722 were collateralized with securities held by a pledging financial institution.

4. LOANS RECEIVABLE

Loans receivable are stated at unpaid balances, less an allowance for doubtful accounts, if applicable. There was no allowance for doubtful accounts at June 30, 2023. The Agency has one loan receivable from Jubilee Homes of Syracuse, Inc. The note for \$150,000 has 1% interest only payments beginning on April 21, 2017 and continuing each and every year until April 21, 2026 at which time the entire principal of the note shall be repaid in a balloon payment, together with interest and applicable fees.

5. TRANSACTIONS WITH THE PRIMARY GOVERNMENT AND OTHER GOVERNMENTS

Payroll is processed by SURA and reimbursement is received for these payroll expenses from funds within the City. These receivables and payables are short-term in nature and are typically repaid in less than one year. SURA has recorded a due from the primary government in the amount of \$2,531,786 and an amount due to the primary government in the amount of \$3,719,644 as of June 30, 2023.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

Notes to Basic Financial Statements

June 30, 2023

The following schedule summarizes receivables and payables between SURA and discretely presented component units of the City at June 30, 2023:

	Amount Receivable	Amount Payable
Syracuse Industrial Development Agency (SIDA)	\$ 217,256	\$ -
Syracuse Economic Development Corporation (SEDCO)	130,225	-
Total	<u>\$ 347,481</u>	<u>\$ -</u>

The amounts due from SIDA and SEDCO are included in the statement of net position and the balance sheet as due from other governments. These receivables result from payroll transactions in the normal course of business and are typically repaid in less than one year.

Reimbursements for payroll expenditures were received as transfers from the City. SURA recorded revenue for transfers received from the primary government for payroll related expenditures in the amount of \$4,745,595 for the year ended June 30, 2023. Additionally, SURA recorded revenue for transfers received from other governments for payroll related expenses in the amount of \$426,085.

6. PENSION PLAN

New York State Employee Retirement System (NYSERS)

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

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Contributions

The NYSERS is noncontributory except for employees who joined the NYSERS after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of the NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS' fiscal year ending March 31.

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>
2023	\$ 263,444
2022	\$ 355,700
2021	\$ 370,091

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

At June 30, 2023, SURA reported a net pension liability of \$1,652,033 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2021. 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, 2023 SURA's proportion was 0.0077039% which was a decrease of 0.0006566% from its proportionate share measured at June 30, 2022.

For the year ended June 30, 2023, SURA recognized pension expense of \$456,799. At June 30, 2023, SURA 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>
Difference between expected and actual experience	\$ 175,954	\$ 46,395
Changes in assumptions	802,334	8,867
Net difference between projected and actual earnings on pension plan investments	-	9,706
Changes in proportion and difference between SURA's contributions and proportionate share of contributions	<u>9,069</u>	<u>246,557</u>
Total	<u>\$ 987,357</u>	<u>\$ 311,525</u>

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

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Plan Year Ended March 31:

2024	\$ 108,313
2025	(174,610)
2026	297,839
2027	<u>444,290</u>
	<u>\$ 675,832</u>

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.40% indexed by service
Projected COLAs	1.50% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020.
Mortality improvement	Society of Actuaries Scale MP-2021
Investment rate of return	5.9% compounded annually, net of investment expenses

Long-Term Rate of Return

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, 2023 are summarized below:

Asset Type	Target	Long-Term
	Allocations in %	Expected Real Rate of Return in %
Domestic Equity	32.0	4.30
International Equity	15.0	6.85
Private Equity	10.0	7.50
Real Estate	9.0	4.60
Opportunistic/ARS Portfolio	3.0	5.38
Credit	4.0	5.43
Real Asset	3.0	5.84
Fixed Income	23.0	1.50
Cash	<u>1.0</u>	-
	100.0	

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of net pension liability (asset)	<u>\$ 3,992,256</u>	<u>\$ 1,652,033</u>	<u>\$ (303,495)</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (in thousands) of the employers as of March 31, 2023 were as follows:

Total pension liability	\$ 232,627,259
Plan net position	<u>211,183,223</u>
Net pension liability (asset)	<u>\$ 21,444,036</u>
ERS net position as a percentage of total pension liability	90.78%

7. OTHER POSTEMPLOYMENT BENEFITS OBLIGATION

Plan Description

The SURA postemployment benefit plan provides OPEB coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and plan amendments are governed by the SURA's contractual agreements. The Plan is a single employer defined benefit OPEB plan administered by SURA.

SURA recognizes the cost of providing health insurance annually as expenditures in the funds as payments are made. For the year ended June 30, 2023, SURA recognized \$277,733 for the claims paid for currently enrolled retirees for the self-insurance health plan.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

Funding Policy

As of the date of these financial statements, New York State did not yet have legislation that would enable government entities to establish a qualifying trust for the purpose of funding Other Postemployment Benefits. As such, there are no assets accumulated in a trust that meet the criteria in GASB 75, paragraph 4 to fund this obligation and benefits are paid on a pay-as-you-go basis.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Actives	43
Inactive employees or beneficiaries currently receiving benefits	<u>56</u>
Total participants	<u><u>99</u></u>

Total OPEB Liability

The SURA's total OPEB liability of \$6,127,438 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 5,529,774</u>
Changes for the Year:	
Service cost	194,248
Interest	206,092
Changes in assumptions	476,597
Changes in benefit terms	(1,540)
Differences between expected and actual experience	-
Benefit payments	<u>(277,733)</u>
Net changes	<u>597,664</u>
Balance at June 30, 2023	<u><u>\$ 6,127,438</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Reporting Date	6/30/2023
Measurement Date	6/30/2023
Actuarial Valuation Date	7/1/2021
Discount Rate	3.69% as of June 30, 2022 and 3.86% as of June 30, 2023
Assumed pre-65 medical trend rates	7.750% decreasing to an ultimate rate of 4.037% in 2075

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

Notes to Basic Financial Statements

June 30, 2023

Assumed post-65 medical trend rates	4.50% decreasing to an ultimate rate of 4.037% in 2075
Assumed prescription drug trend rates	6.25% decreasing to an ultimate rate of 3.784% in 2075
Trend rate for administrative fees	3.25%
Trend rate for dental benefit costs	3.50%
Rate of compensation increase	4.50%
Inflation rate	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Amortization Period	Varies by Group

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, 2022 and June 30, 2023, which yielded discount rates of 3.69% and 3.86%, respectively.

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

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

The following present the total OPEB liability of SURA, as well as what SURA's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86%) or 1 percentage point higher (4.86%) than the current discount rate:

	Discount Rate		
	1% Decrease (2.86%)	Current Discount (3.86%)	1% Increase (4.86%)
Total OPEB Liability	<u>\$ 6,910,438</u>	<u>\$ 6,127,438</u>	<u>\$ 5,473,318</u>

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

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

	Healthcare Trend Rate		
	1% Decrease	Current Cost Trend	1% Increase
Total OPEB Liability	<u>\$ 5,200,062</u>	<u>\$ 6,127,438</u>	<u>\$ 7,298,305</u>

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Notes to Basic Financial Statements
June 30, 2023**

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

For the year ended June 30, 2023, SURA recognized OPEB expense of \$597,664. At June 30, 2023, SURA reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 29,439	\$ 4,741,621
Changes of assumptions	<u>853,071</u>	<u>956,845</u>
 Total	 <u>\$ 882,510</u>	 <u>\$ 5,698,466</u>

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

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2024	(2,617,725)
2025	(1,596,816)
2026	(501,075)
2027	(135,642)
2028	35,302
Thereafter	<u>-</u>
	<u>\$ (4,815,956)</u>

SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

Required Supplementary Information (Unaudited)
Statement of Revenues and Expenditures - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2023

	Original <u>Budget</u>	Final Budget	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:				
Reimbursement from primary government for payroll and payroll related expenses	\$ 4,593,645	\$ 4,593,645	\$ 4,745,595	\$ 151,950
Reimbursement from other governments for payroll and payroll related expenses	377,161	377,161	426,085	48,924
Gain on sale of real property	1,250,000	1,250,000	-	(1,250,000)
Other revenues	<u>8,600</u>	<u>8,600</u>	<u>800</u>	<u>(7,800)</u>
Total revenues	<u>6,229,406</u>	<u>6,229,406</u>	<u>5,172,480</u>	<u>(1,056,926)</u>
EXPENDITURES:				
Current -				
Redevelopment expenses	37,000	37,000	13,064	23,936
Payroll and payroll related expenses	4,970,807	4,970,807	5,385,169	(414,362)
Other expenses	<u>20,750</u>	<u>20,750</u>	<u>11,699</u>	<u>9,051</u>
Total expenditures	<u>5,028,557</u>	<u>5,028,557</u>	<u>5,409,932</u>	<u>(381,375)</u>
CHANGE IN FUND BALANCE	<u>\$ 1,200,849</u>	<u>\$ 1,200,849</u>	<u>\$ (237,452)</u>	<u>\$ (1,438,301)</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

March 21, 2024

To the Board of Directors of the
Syracuse Urban Renewal Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities and the governmental fund of Syracuse Urban Renewal Agency (SURA), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise SURA's basic financial statements, and have issued our report thereon dated March 21, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SURA's basic 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*.

Syracuse Urban Renewal Agency's Response to Findings

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

Purpose of this Report

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

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended June 30, 2023**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)								
	2023	2022	2021	2020	2019	2018		2017	2016
Total OPEB Liability									
Service cost	\$ 194,248	\$ 283,243	\$ 301,096	\$ 253,337	\$ 659,793	642,231	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	206,092	131,457	211,211	243,058	701,877	664,323			
Changes of benefit terms	(1,540)	-	-	-	-	(925)			
Differences between expected and actual experience	-	(1,703,575)	(830,897)	(11,927,965)	47,753	127,173			
Changes in assumptions	476,597	(1,319,096)	529,967	803,614	(487,674)	(178,364)			
Benefit payments	(277,733)	(258,642)	(269,496)	(301,205)	(534,296)	(553,482)			
Total change in total OPEB liability	597,664	(2,866,613)	(58,119)	(10,929,161)	387,453	700,956			
Total OPEB liability - beginning	5,529,774	8,396,387	8,454,506	19,383,667	18,996,214	18,295,258			
Total OPEB liability - ending	\$ 6,127,438	\$ 5,529,774	\$ 8,396,387	\$ 8,454,506	\$ 19,383,667	\$ 18,996,214			
Covered payroll	3,900,142	2,904,681	2,694,637	2,983,740	3,266,847	3,442,754			
Total OPEB liability as a percentage of covered payroll	157.11%	190.37%	311.60%	283.35%	593.34%	551.77%			

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	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
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Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standard discounting unfunded liabilities based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Plan assets. No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2023**

	Last 10 Fiscal Years									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.0077039%	0.0083605%	0.0099196%	0.0011720%	0.0129521%	0.0135654%	0.0131048%	0.0127652%	0.0152489%	
Proportionate share of the net pension liability (asset)	\$ 1,652,033	\$ (683,434)	\$ 9,877	\$ 3,103,533	\$ 917,693	\$ 437,817	\$ 1,231,359	\$ 2,048,848	\$ 515,146	
Covered payroll	2,518,187	2,518,289	2,857,775	3,152,654	3,546,771	3,398,098	3,266,101	2,958,100	3,298,300	
Proportionate share of the net pension liability as a percentage of its covered payroll	65.60%	-27.14%	0.35%	98.44%	25.87%	12.88%	37.70%	69.26%	15.62%	
Plan fiduciary net position as a percentage of the total pension	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	

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.

**SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension Plans
For the Year Ended June 30, 2023**

	Last 10 Fiscal Years									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 263,444	\$ 355,700	\$ 370,091	\$ 429,548	\$ 471,112	\$ 483,966	\$ 453,170	\$ 426,952	\$ 426,524	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.
Contributions in relation to the contractually required contribution	<u>263,444</u>	<u>355,700</u>	<u>370,091</u>	<u>429,548</u>	<u>471,112</u>	<u>483,966</u>	<u>453,170</u>	<u>426,952</u>	<u>426,524</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 2,518,187	\$ 2,518,289	\$ 2,857,775	\$ 3,152,654	\$ 3,546,771	\$ 3,398,098	\$ 3,266,101	\$ 2,958,100	\$ 3,298,300	
Contributions as a percentage of covered payroll	10.46%	14.12%	23.91%	13.62%	13.28%	13.65%	13.87%	13.07%	14.42%	

SYRACUSE URBAN RENEWAL AGENCY
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Part II Financial Statement Findings

Reference Number: 2023-001

Financial Reporting

Criteria:

Internal controls over financial reporting should be properly designed, implemented and monitored to ensure all material transactions are recorded in accordance with generally accepted accounting principles in the United States of America (U.S GAAP).

Cause/Condition:

Appropriate documentation supporting the hire dates, salary and expenditure codes to be charged for employees hired during the year ended June 30, 2023 could not be obtained in multiple instances.

Effect:

Failing to obtain proper supporting documentation related to new hires could result in employees being added to the payroll or employees being paid at incorrect rates, without the approval or knowledge of management.

Recommendation:

SURA should ensure that payroll expenditures are properly recorded for new employees by following established procedures regarding the approval of new hires. Additionally, SURA should ensure that supporting documentation of the approval of new hires is retained.

Response:

SURA is actively developing expanded processes and procedures around personnel and payroll, including reviewing the current process and identifying potential technology enhancements. SURA personnel functions are currently paper based. A third-party vendor is currently under contract to implement a cloud-based human capital management and payroll platform with enhanced IT general controls to promote a better control environment for SURA.